

# Sample

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## My credit options guide<sup>SM</sup>

1 self-assessment

2 product options

3 next steps

## Uncovering your Wells Fargo credit options in 3 easy steps

Wells Fargo is committed to providing you with the information you need to make decisions about credit. This guide is the first step toward exploring the Wells Fargo credit options that may be available to you. A conversation with Wells Fargo will help you focus on the specifics of your unique situation, so you can take the necessary actions as you're ready to move forward.

**Date:** February 18, 2015

**Prepared by:** TED TESTCO

Together we'll go far



# 1 2 3 My Self-Assessment My credit need: Large/Major Purchase

We want you to know the condition of your financial health, because it's the first step toward making informed decisions. Two key indicators to this health are credit score and debt-to-income ratio – the amount of your debt relative to your income. On this page, we've put context around the credit information you supplied to help you understand what your numbers mean and how they could affect your borrowing decisions.

Note: This assessment is not a credit application nor meant to be a denial or approval of credit. The accuracy of the assessment and product options are based on the accuracy and completeness of the information provided by you. Regardless of the results of the assessment, we encourage you to apply for any of our products you are interested in. Not all Wells Fargo products may be represented.

## My self-stated credit score = Excellent

Your credit is one key to reaching your goals - not only when you're applying for credit, but also when you're looking for a job, renting, or setting up cell phone service.

Visit [wellsfargo.com/creditscoreeducation](https://wellsfargo.com/creditscoreeducation) to learn more about what goes into a credit report, different types of credit scores, how they're calculated, and how to fix any errors.

**Please note:** For this assessment, we never pull your credit score or run a credit report. It's simply an evaluation based on the information you supplied.

Credit scores are generally viewed as:

<b>740 &amp; above</b> (Excellent)
<b>680 – 739</b> (Good)
<b>640 – 679</b> (Fair)
<b>639 &amp; below</b> (Poor)

← Your self-stated credit falls here

## My debt-to-income ratio = 30%

Your **debt-to-income ratio (DTI)**, also known as debt-service ratio, (debt ÷ income = DTI), which is based on information in the table below, is the percentage of your gross income that's used toward paying your monthly recurring debt payments.

The debt-to-income ratio displayed below contains basic information and may not be comprehensive for all your personal expenses.

Monthly (\$)	
<b>Gross monthly income</b>	<b>\$8,000</b>
<b>Debt</b>	
Rent	\$0
Home Loan(s)*	(\$1,737)
Auto Loan(s)	(\$235)
Credit Card(s)	(\$88)
Student Loan(s)	(\$152)
Personal Loan(s) or Line(s)	(\$173)
Other Liabilities	\$0
<b>Total Debt</b>	<b>(\$2,385)</b>
<b>Debt-to-income ratio</b>	<b>30%**</b>

\*Home loans could include 1st mortgage, 2nd mortgage, vacation home, etc.  
\*\*This assessment may not reflect all of your outstanding debt. Please carefully review and update any information if needed.

### The impact on your budget

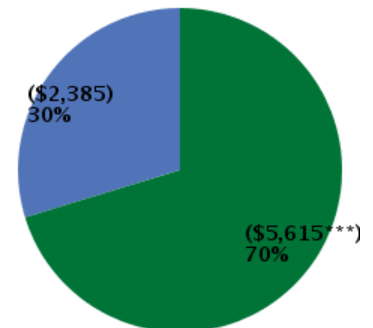
Your DTI ratio is an important personal financial indicator. It should serve as a factor in making informed credit choices and is a useful way for you to gauge your comfort level with your current debt level and/or ability to borrow more. **Remember DTI is based on your gross monthly income - before taxes are taken out - not on the amount you actually take home.**

Although Wells Fargo uses DTI to consider your outstanding credit relative to your income to evaluate your ability to repay what you borrow, you make the final decision. This assessment is meant to help you take control over the amount you're comfortable borrowing and the monthly payments you're comfortable fitting into your budget. This ratio reflects your situation prior to any new borrowing, so be sure to consider the impact to your ratios and your budget if and when you should take on more debt.

Wells Fargo considers different ratios, depending on the size, purpose, and type of loan. Your particular ratio, in addition to your overall monthly income and debt, will be weighed when we look at your situation.

■ DTI or income used to pay monthly debt  
■ Remaining monthly income

\*\*\*\$8,000 - \$2,385 = \$5,615



# 1 2 3 My Product Options My credit need: Large/Major Purchase

Based on what you've told us, a Wells Fargo product may help you reach your financing goal. Start with the table below which outlines options you may want to pursue and compare them to any existing line of credit products you may already have with Wells Fargo or other financial institutions. But first weigh the benefits, considerations, and rates and fees when deciding if additional or higher monthly payments work with your budget.

Note: The Credit Options Guide does not take into account any of your existing Wells Fargo credit accounts. As you review your options please consider how these accounts factor into your situation.

## My product options at a glance

For details about each of these product options please refer to the product summaries on the following pages.

	<a href="#">Home Equity Loan</a>	<a href="#">Home Equity Line of Credit</a>	<a href="#">Personal Loan</a>	<a href="#">Personal Line of Credit</a>
Predictable monthly payment amount	Yes	Yes <sup>3</sup>	Yes	No
Interest rates	Fixed	Variable	Fixed	Variable
Ongoing access to available credit	No	Yes	No	Yes
Unsecured or Secured <sup>1</sup>	Secured	Secured	Unsecured	Unsecured

<sup>1</sup> If you don't repay your collateral-based loan or line of credit, you could lose the asset (e.g., home, car, recreation / sports vehicle, deposit account) used to secure the loan or line of credit.

<sup>3</sup> Predictable monthly payment available if line converted from variable to fixed rate.

## My notes:

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# 1 2 3 My Next Steps

My credit need: Large/Major Purchase

With the credit information you've supplied and available product options, you're ready to make a plan. And we're here to help. Look through these steps, and take control of your financial future.

## Planning what's next

- Review your guide.** You can choose to apply for a product today or keep and review your guide until you are ready for the next step.
- Ensure you have provided all your assets (home, auto, CD or Savings accounts at other financial institutions) for a more thorough view of your options.**
- Understand your borrowing options:**
  1. *Is the interest rate fixed or variable?*
  2. *How long is the term to pay back the principal?*
  3. *What will be the resulting monthly payment?*
  4. *What are the total costs including closing costs, annual fees, or additional account fees? Are there penalties for paying a loan off early?*
  5. *Review your qualifying rates and product fees.*
  6. *Consult your tax advisor about any tax implications, including potential deductibility of interest.*
  7. *Review your existing line(s) of credit to determine if funds are available as an option to meet your credit need(s).*
- Be proactive in maintaining your credit health:**
  - Visit the Wells Fargo **Smarter Credit**<sup>™</sup> resource center at [www.wellsfargo.com/smarter\\_credit](http://www.wellsfargo.com/smarter_credit) and set up your plan.
  - Track where your money goes and keep your bills paid on time by keeping an eye on every purchase and payment made with your Wells Fargo accounts using My Spending Report - Wells Fargo's free online money management tool.
- Within your guide, there are product option and other web links that will take you to relevant information on wells Fargo.com. A copy of your guide has been saved in the Financial Documents section of your Wells Fargo account online.**

### TED TESTCO Summary

**Credit need(s):**

Large/Major Purchase

**Total amount of need(s):**

\$31,000

**Self-stated credit rating:** Excellent

**Debt-to-income ratio:** 30%

**Product options for consideration:**

- [Home Equity Loan](#)
- [Home Equity Line of Credit](#)
- [Personal Loan](#)
- [Personal Line of Credit](#)



# Product Summary

My credit need: Large/Major Purchase

## Home Equity Loan

### Benefits:

- Receive your funds as a single lump sum.
- Predictable monthly payment amount having a fixed interest rate with monthly principal and interest payments that remain the same for the life of the loan.
- Competitive interest rates; Interest may be tax-deductible<sup>1</sup>.

### Considerations:

- Review your existing Wells Fargo credit accounts to determine if other funds are available as an option.
- [Find the right home loan](#) for you or [contact us](#) for help.
- Your home is used as collateral. If payments are not made, you could lose your home.

### Terms:

- Loan amounts \$10,000-\$500,000 <sup>2</sup>.
- May qualify for a customer relationship rate discount with automatic payment<sup>3</sup>.

<p>Interest Rate/Annual Percentage Rate:<sup>*3</sup></p> <p>7.865%/7.865%</p> <p>Bank paid fees included. A lower rate is available with borrower paid fees.</p>	<p>Monthly Payment on \$31,000 loan:<sup>*3</sup></p> <p>\$256.84</p> <p>20 year term used for payment calculation. Other term options are available.</p>
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\* Example results are as of the date of this document. The estimated payment amount shown is an example and may not reflect the loan or line amount you may qualify for once you submit an application. Your loan or line of credit amount, the interest rate or APR, and payment amount will depend upon the specific details of your transaction and your credit profile. Your interest rate or APR will be determined when a credit decision is made and may be higher or lower than the rates published here. The interest rate/APR provided assumes the bank pays all closing costs. A lower interest rate/APR may be available if you elect to pay the closing costs.

1 Consult your tax advisor regarding deductibility of interest.

2 In California minimum loan amount is \$20,000.

3 The quoted APR includes a 0.375% discount. To qualify for a customer relationship discount, you must maintain a qualifying Wells Fargo consumer checking account and make automatic payments from a Wells Fargo checking or saving account. To learn which accounts qualify for the discount, please consult a Wells Fargo banker.

Annual Percentage Rate (APR) is the cost of credit expressed as a yearly rate. The APR includes, if applicable, fees and other credit charges that the borrower is required to pay and is therefore a more complete measure of a loan's cost than the interest rate alone. The loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment. Please note that some or all of the information mentioned above (such as interest rate and annual percentage rate (APR), and amount of loan payments) may be estimated, and its accuracy is dependent on the quality and completeness of the information that was provided. Please carefully review what is included.

# Product Summary

My credit need: Large/Major Purchase

## Home Equity Line of Credit

### Benefits:

- A variable rate with an option to convert a portion or all of the outstanding line balance to a fixed rate advance for a specific period of time.
- On-going access to available funds and only pay interest on the amount used; Interest may be tax-deductible<sup>1</sup>.
- Competitive interest rates.

### Considerations:

- Review your existing Wells Fargo credit accounts to determine if other funds are available as an option.
- [Find the right home loan](#) for you or [contact us](#) for help.
- Your home is used as collateral. If payments are not made, you could lose your home.
- A Home Equity Line of Credit has a variable rate, your monthly payment may increase if your rate or remaining account balance increases.

### Terms:

- Line of credit amounts from \$20,000-\$500,000.
- May qualify for a customer relationship rate discount with automatic payment<sup>2</sup>.
- At the end of Draw Period<sup>3</sup>, the outstanding balance payment will continue to be at a variable rate, amortized monthly, consisting of principal and interest payment that will be paid based on the remaining 20 year term.

<p>Variable Annual Percentage Rate (during the Draw Period<sup>3</sup>):*</p> <p>5.5%</p> <p>The APR will vary with the market based on the Index Rate. Bank paid fees included. A lower rate is available with borrower paid fees.</p>	<p>Monthly Amortizing Payment<sup>4</sup> on \$31,000 line of credit:*</p> <p>\$176.11</p> <p>At the end of the Draw (3) your balance will continue to be calculated using a Variable Annual Percentage Rate (like your draw period). The payment is amortized monthly based on the remaining months in your 20 year repayment period.</p>
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\* Example results are as of the date of this document. The estimated payment amount shown is an example and may not reflect the loan or line amount you may qualify for once you submit an application. Your loan or line of credit amount, the interest rate or APR, and payment amount will depend upon the specific details of your transaction and your credit profile. Your interest rate or APR will be determined when a credit decision is made and may be higher or lower than the rates published here. The interest rate/APR provided assumes the bank pays all closing costs. A lower interest rate/APR may be available if you elect to pay the closing costs.

1 Consult your tax advisor regarding deductibility of interest.

2 The quoted APR includes a 0.375% discount. To qualify for a customer relationship discount, you must maintain a qualifying Wells Fargo consumer checking account and make automatic payments from a Wells Fargo checking or saving account. To learn which accounts qualify for the discount, please consult a Wells Fargo banker.

Please note that some or all of the information mentioned above (such as interest rate and annual percentage rate (APR), and amount of loan payments) may be estimated, and its accuracy is dependent on the quality and completeness of the information that was provided. Please carefully review what is included.

3 Draw period - The fixed period of time after approval of a home equity line of credit (HELOC) during which the customer may access or draw funds from the line of credit, usually accessible for a period of 10 years on an as needed basis.

4 The amortizing payment will include principal and interest. During your Draw Period your payment can vary each month due to fluctuations in the interest rate and the amount you have borrowed. The payment is amortized monthly based on remaining months in your draw period plus 240 months.

# Product Summary

My credit need: Large/Major Purchase

## Personal Loan

### Benefits:

- No collateral required - loans from \$3,000 to \$100,000.
- Consolidate debt into a fixed rate, fixed term loan with predictable payments.
- Get a credit decision in as little as 15 minutes and often same day access to funds.

### Considerations:

- Review your existing Wells Fargo credit accounts to determine if other funds are available as an option.
- Wells Fargo also provides many other products available for you to consider.
- Interest rate is often higher than secured loans.

### Terms:

- Loan terms of 12 to 60 months give you flexibility to choose a lower rate/shorter term loan or a longer term/lower payment loan.
- No origination fee and no pre-payment fee.
- May qualify for a customer relationship rate discount with automatic payment<sup>1</sup>.

#### Annual Percentage Rate Range:\*

6.25% - 8.98%

75% of customers with your self-stated credit score fall into the rate range provided above.

#### Monthly Payment Range on \$31,000 loan:\*

\$946.60 - \$985.50

36-month term used for payment range. Other term options are available.

\*These results are as of the date of this document. The estimated rate and payment amount shown are examples and may not reflect the loan amount you may qualify for once you submit an application. Your loan amount, the interest rate or APR, and payment amount will depend upon the specific details of your transaction and your credit profile. Your interest rate or APR will be determined when a credit decision is made and may be higher or lower than the rates published here. All loans are subject to credit approval and income verification. Certain restrictions apply. Loan terms range from 12 to 60 months depending upon the loan amount.

<sup>1</sup> To qualify for a customer relationship discount, you must maintain a qualifying Wells Fargo consumer checking account and make automatic payments from a Wells Fargo checking or savings account. To learn which accounts qualify for the discount, please consult a Wells Fargo banker. If automatic payments are not selected, or are canceled for any reason at any time after account opening, the interest rate and the corresponding monthly payment may increase.

# Product Summary

My credit need: Large/Major Purchase

## Personal Line of Credit

### Benefits:

- No collateral required - lines from \$3,000 to \$100,000.
- Get a credit decision in as little as 15 minutes and have access to the funds in as little as 1 or 2 business days.
- No balance transfer or cash advance fees.

### Considerations:

- Review your existing Wells Fargo credit accounts to determine if other funds are available as an option.
- Wells Fargo also provides many other products available for you to consider.
- Interest rate is variable and can rise.

### Terms:

- May qualify for a customer relationship rate discount with automatic payment<sup>1</sup>.

#### Annual Percentage Rate Range:\*

9% - 13.75%

This APR will vary with the market based on the U.S. Prime Rate ("Index Rate"). 75% of customers with your self-stated credit score fall into the rate range provided above.

#### Monthly Payment Range on \$31,000 line of credit:\*

\$232.50 - \$355.21

### Annual Fee: **\$25**

\*These results are as of the date of this document. The estimated rate and payment amount shown are examples and may not reflect the line amount you may qualify for once you submit an application. Your line of credit amount, the interest rate or APR, and payment amount will depend upon the specific details of your transaction and your credit profile. Your interest rate or APR will be determined when a credit decision is made and may be higher or lower than the rates published here. All lines of credit are subject to credit approval and income verification. Certain restrictions apply. There is a \$25 annual fee.

<sup>1</sup> To qualify for a customer relationship discount, you must maintain a qualifying Wells Fargo consumer checking account and make automatic payments from a Wells Fargo checking or savings account. To learn which accounts qualify for the discount, please consult a Wells Fargo banker. If automatic payments are not selected, or are canceled for any reason at any time after account opening, the interest rate and the corresponding monthly payment may increase.