

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

Fowler, et al. v. Wells Fargo Bank, N.A.,

Case No. 4:17-cv-02092-HSG

United States District Court for the Northern District of California

If you prepaid an FHA-insured loan with Wells Fargo on a day other than the first of the month, the loan was originated beginning June 1, 1996 and ending January 20, 2015, and you paid off the loan during the applicable Limitations Period, then the proposed settlement of a class action lawsuit may affect your rights.

- This Notice explains what the class action is about, what the Settlement will be if it is approved by the United States District Court for the Northern District of California (the “Court”), what benefits you may receive under the Settlement, and what to do if you want to (i) object to the Settlement; or (ii) not participate in the Settlement and instead “opt out” of the class action. These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court still has to decide whether to approve the settlement. The relief provided to Settlement Class Members will be provided if the Court approves the settlement and after appeals, if any, are resolved in favor of the settlement. Please be patient.
- **Your legal rights may be affected whether you act or do not act. Read this notice carefully because it explains decisions you must make and actions you must take now.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	You will receive the benefits conferred by the Settlement and will be bound by any orders or judgment relating to the Settlement approved by the Court.
EXCLUDE YOURSELF	You will be entitled to no benefits under the Settlement. This is the only choice that will allow you to sue Wells Fargo on your own about the claims discussed in this notice. An exclusion request must be in writing and postmarked on or before November 20, 2018 .
OBJECT TO THE SETTLEMENT	You can write to the Court about why you do not agree with any aspect of the settlement. An objection must be in writing, filed , and postmarked on or before November 20, 2018 .
GO TO A HEARING	You can ask to speak to the Court about the “fairness” of the settlement, after you submit your objection. A Notice of Intention to Appear must be in writing, filed , and postmarked on or before November 20, 2018 <u>in addition to</u> submitting a timely objection.

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PART I: WHY YOU HAVE RECEIVED THIS NOTICE

1. WHY DID I RECEIVE THIS NOTICE?

A Federal Court authorized this notice because you have a right to know about the proposed settlement of a class action lawsuit known as *Fowler v. Wells Fargo Bank, N.A.*, No. 4:17-cv-02092-HSG (the “Action”), and about all of your options, before the Court decides whether to approve the settlement. This notice explains the lawsuit, the Settlement, and your legal rights.

The Court in charge of this case is the United States District Court for the Northern District of California. The people who sued are called the “Plaintiffs,” and Wells Fargo Bank, N.A. (“Wells Fargo”) is the “Defendant.”

The essential terms of the settlement are summarized below. The Settlement Agreement sets forth in greater detail the rights and obligations of the parties. If there is any conflict between this notice and the Settlement Agreement, the Settlement Agreement governs.

2. WHAT IS THIS LAWSUIT ABOUT?

This lawsuit alleges that Wells Fargo breached the promissory notes underlying the class’s FHA-insured home loans when it collected post-payment interest (i.e., interest for the remainder of the month during which the loan was paid off) without providing a certain type of disclosure to borrowers who made a pre-payment inquiry, request for payoff figures, or tender of prepayment. The FHA-insured loans at issue were: (1) entered into between June 1, 1996 and January 20, 2015; (2) prepaid within the status of limitations applicable to the loans; and (3) for which Wells Fargo, its agent, or its predecessor was the mortgagee.

Wells Fargo denies any and all allegations of wrongdoing and does not admit or concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged in this lawsuit or in any similar action. Wells Fargo denies that it violated the law and specifically denies that it was required to provide a certain type of disclosure to borrowers prior to the collection of interest.

For more detailed information as to Plaintiffs’ allegations, you may review a copy of Plaintiffs’ complaint at www.FHASettlement.com.

3. WHY DID THIS LAWSUIT SETTLE?

The Court has not decided whether Plaintiffs’ claims or Wells Fargo’s defenses have any merit, and it will not do so if the proposed settlement is approved. The Settlement will end all the claims against Wells Fargo in the Action and avoid the uncertainties and costs of further litigation and any future trial.

Plaintiffs have agreed to a settlement of this Action after considering, among other things: (1) the substantial benefits to Plaintiffs and the proposed Class under the terms of the Settlement Agreement; (2) the risks, costs and uncertainty of protracted litigation, especially in complex actions such as these, as well as the difficulties and delays inherent in such litigation; and (3) the desirability of consummating the Settlement Agreement promptly in order to provide effective relief to Plaintiffs and the proposed Class.

The proposed settlement does not suggest that Wells Fargo has or has not done anything wrong, or that Plaintiffs and the proposed Class would or would not win their case if it were to go to trial.

4. WHY IS THIS A “CLASS ACTION”?

In a class action, one or more people, called named plaintiffs or class representatives, sue on behalf of people

who have similar claims. All these people constitute the Class or are Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class or are otherwise not part of the Class.

PART II: DESCRIPTION OF THE CLASS

5. AM I A MEMBER OF THE CLASS?

With some limited exceptions, described below, the Class includes all persons nationwide who had an FHA-Insured Loan that was originated beginning June 1, 1996 and ending January 20, 2015, where (i) Wells Fargo, its agent, or its predecessor was the mortgagee as of the date the total amount due on the FHA-Insured Loan was brought to zero, (ii) Wells Fargo collected Post-Payment Interest on the FHA-insured Loan during the applicable Limitations Period, available for review at www.FHASettlement.com, and (iii) the borrower made a prepayment inquiry, request for payoff figures, or tender of prepayment but did not receive a Payoff Statement containing the verbatim Post-Payment Interest disclosure language in Housing Handbook, 4330.1 REV-5 Appendix 8(c) or the verbatim language contained in the “Payoff Disclosure” referenced in the Housing Handbook 4000.1. If you received a notice in the mail, Wells Fargo records indicate that you are a Class Member.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

The Class does not include persons who timely and validly request exclusion from the Class or officers, directors, or employees of Wells Fargo or their legal representatives, heirs, or assigns, and any Judges to whom the Action is assigned, their staffs, and their immediate families.

7. I’M STILL NOT SURE IF I’M INCLUDED.

If you do not understand whether or not you are a Class Member, you can further review the information on www.FHASettlement.com, or you can contact Class Counsel.

PART III: DECISIONS YOU MUST MAKE NOW

8. WHAT DO I NEED TO DO NOW?

FIRST, you must decide now whether you wish to remain in the Settlement Class or to exclude yourself from the Settlement Class. If you want to remain in the Settlement Class, you do not have to do anything. If you want to be excluded from the Settlement Class, you must notify the Settlement Administrator as described below in Part VI **no later than November 20, 2018**. If you exclude yourself:

- You will **not** be eligible for benefits under the settlement.
- You will **not** be able to object to the proposed settlement and to appear at the Final Approval Hearing.
- You will **not** be bound by any orders or judgments entered in this case, if the proposed settlement is approved.

SECOND, if you remain in the Settlement Class, you may object to any part of the proposed settlement by filing a written objection with the Court as described below in Part VII. You must **file** your objection with the Court **on or before November 20, 2018**.

You do not have to appear for any objection to be considered, but if you wish to appear and speak at the Final Approval Hearing, you must have first submitted an objection (as described in Part VII) and, in addition, file

and serve a Notice of Intention to Appear at the Final Approval Hearing that is postmarked by **November 20, 2018** as described in response to Question 22, below.

9. WHAT IF I DO NOTHING?

If you do nothing, you will automatically receive benefits from the settlement and you will be bound by the settlement's release.

Unless you exclude yourself from the Settlement Class, if the settlement is approved, all of the Court's orders will apply to you and you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Wells Fargo in regard to the claims in this Action.

The Parties make no representations about the tax implications of payment in connection with the settlement. You should seek your own tax advice prior to acting in response to this Notice.

PART IV: SETTLEMENT BENEFITS – WHAT YOU GET

10. WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement Agreement provides that, to resolve the case, Wells Fargo is depositing a sum of \$30,000,000 (30 million U.S. dollars) into an escrow fund (the "Settlement Fund") for payment of settlement expenses, attorneys' fees, class representative awards, and distribution to Class Members by Garden City Group, the Settlement Administrator. The Settlement Administrator will remit payments by check to each member of the Settlement Class. To determine the amount of each Settlement Class Member's distribution, the Settlement Administrator will make the following calculations:

- (i) To calculate the "Net Settlement Fund," the Settlement Administrator will deduct the costs of settlement administration, attorneys' fees, class representative awards, and expenses authorized by the Court, from the Settlement Fund.
- (ii) For each such Settlement Class Member, the Settlement Administrator will divide the amount of Post-Payment Interest Wells Fargo collected from that Settlement Class Member by the total amount of Post-Payment Interest that Wells Fargo collected from all Settlement Class Members, to arrive at each such Settlement Class Member's pro rata percentage. For each such Settlement Class Member, the Settlement Administrator will multiply the pro rata percentage by the Net Settlement Fund, with the calculation constituting the distribution for that Settlement Class Member.
- (iii) If, according to Wells Fargo's records, there are co-borrowers on the account for which Post-Payment Interest was paid, the settlement check shall be made jointly payable to both named borrowers.
- (iv) Any distribution paid to a deceased Settlement Class Member shall be made payable to the estate of the deceased Settlement Class Member, provided that the Settlement Class Member's estate informs the Settlement Administrator ten (10) calendar days prior to the date that settlement checks are mailed of the Settlement Class Member's death and provides a death certificate confirming that the Settlement Class Member is deceased.
- (v) If a Settlement Class Member's settlement check is not deposited (or cashed) within ninety (90) days after the check is mailed, and cleared from the Settlement Fund within one hundred (100)

days after the check is mailed:

- a) the settlement check will be null and void;
 - b) the Settlement Class Member will be barred from receiving a further distribution; and
 - c) the amount of such check will revert to the Net Settlement Fund.
- (vi) The Net Settlement Fund remaining following the first round of payments shall be re-apportioned and distributed to settlement Class Members who cashed their first check in a second distribution, as set forth below.
- (vii) The Settlement Administrator will sum the total amount of Post-Payment Interest Wells Fargo collected from all Settlement Class Members who cashed their settlement check in the first distribution. Then, the Settlement Administrator will divide each Settlement Class Member's individual Post-Payment Interest by the total amount of Post-Payment Interest Wells Fargo collected from all Settlement Class Members who cashed their settlement check from the first distribution to arrive at each such Settlement Class Member's pro rata percentage. For each such Settlement Class Member, the Settlement Administrator will multiply the pro rata percentage by the remaining Net Settlement Fund, with the calculation constituting the distribution for that Settlement Class Member in the second round.
- (viii) If a Settlement Class Member's second settlement check is not deposited (or cashed) within ninety (90) days after the check is mailed, and cleared from the Settlement Fund within one-hundred (100) days after the check is mailed:
- a) the second settlement check will be null and void;
 - b) the Settlement Class Member will be barred from receiving a further distribution; and
 - c) the amount of such check will revert to Wells Fargo.

In return for the benefits in this settlement, and if the settlement is implemented, all Settlement Class Members will release Wells Fargo from the claims discussed in the Settlement Agreement, and this Action will be dismissed with prejudice, among other terms.

PART V: THE LAWYERS REPRESENTING THE SETTLEMENT CLASS

11. DO I HAVE A LAWYER IN THIS CASE?

The Court has designated attorneys at the law firms of **Epps Holloway DeLoach & Hoipkemier LLP** and **Robins Kaplan LLP** to represent you and the other Class Members in this lawsuit. The lawyers representing you and the Class Members are called "Class Counsel." As part of the Settlement, Class Counsel will apply to the Court for payment which will be paid directly to Class Counsel by Wells Fargo via the Settlement Fund. **You will not be charged for the services of Class Counsel.**

You may contact Class Counsel about this lawsuit and proposed settlement as follows:

Adam L. Hoipkemier
Kevin Epps
**Epps Holloway DeLoach &
Hoipkemier LLP**
1220 Langford Drive, Bldg. 200-101
Watkinsville, GA 30677
adam@ehdlaw.com
kevin@ehdlaw.com

Michael F. Ram
Susan S. Brown
Robins Kaplan LLP
2440 W. El Camino Real, Suite 100
Mountainview, CA 94040
mram@robinskaplan.com
sbrown@robinskaplan.com

You have the right to retain your own lawyer to represent you in this case, but you are not obligated to do so. If you do hire your own lawyer, you will have to pay his or her fees and expenses. You also have the right to represent yourself before the Court without a lawyer.

12. HOW WILL THE LAWYERS AND CLASS REPRESENTATIVES IN THESE ACTIONS BE PAID?

Class Counsel will apply to the Court for an award of attorneys' fees and costs that will not exceed 25% of the Settlement Fund in fees and \$70,000 in costs, which shall be the sole aggregate compensation from Wells Fargo for all attorneys representing Plaintiffs and the Settlement Class.

Class Counsel will apply to the Court for an incentive award of up to \$7,500 for Class Representative Vana Fowler and \$5,000 for Class Representative Michael Peters. The purpose of such an award, if any, shall be to compensate the Class Representatives for efforts undertaken by them on behalf of the Class.

PART VI: EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to receive benefits from this settlement, and you want to keep the right to sue or continue to sue Defendants on your own with regard to the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or "opting out" of the Class.

13. HOW DO I GET OUT OF OR EXCLUDE MYSELF FROM THE SETTLEMENT?

If you want to be excluded from the Class, you must notify the Settlement Administrator. To exclude yourself from the settlement, you must complete and send to the Settlement Administrator a written request that includes the case name (*Vana Fowler, et al. v. Wells Fargo Bank, N.A.*), your name and address, and a statement that indicates a desire to be excluded from the Settlement Class, such as "I hereby request that I be excluded from the proposed Settlement Class in the Action." The request also must be personally signed by you (the person requesting exclusion). Mass or class opt outs shall be void. Your exclusion request must be **postmarked** no later than **November 20, 2018**. Send your exclusion request to:

Fowler, et al. v. Wells Fargo Bank, N.A.
c/o GCG
PO Box 10644
Dublin, OH 43017-9244

14. WHAT HAPPENS IF I EXCLUDE MYSELF FROM THE CLASS?

If you request exclusion from the Class, then:

- You will **not** be eligible for benefits under the proposed settlement;

- You will **not** be allowed to object to the terms of the proposed settlement; and
- You will **not** be bound by any subsequent rulings entered in this case if the proposed settlement is finally approved.

However, if your request for exclusion is late or deficient, you will still be considered a part of the Settlement Class, you will be bound by the settlement and by all other orders and judgments in this lawsuit, and you will not be able to participate in any other lawsuits based on the claims in this case.

15. WHAT DO I GIVE UP IF I CHOOSE TO STAY IN THE SETTLEMENT CLASS?

Unless you exclude yourself from the Settlement, you cannot sue or be part of any other lawsuit against Wells Fargo about the issues in this Action, including any existing litigation, arbitration, or proceeding. Unless you exclude yourself, you will be bound by the Settlement, and all of the decisions, orders and judgments by the Court about the Settlement. If you do nothing at all, you will be releasing Wells Fargo and the Released Parties from all of the claims described and identified in Sections 8 and 10 of the Settlement Agreement. The Settlement Agreement is available at www.FHASettlement.com and provides more detail regarding the Release and describes the Released Claims with specific descriptions.

16. CAN I FILE A LATER LAWSUIT MAKING SIMILAR CLAIMS?

No. If you remain a member of the Settlement Class and the settlement is finally approved, you will be enjoined and barred from initiating or continuing any lawsuit or other proceeding against Wells Fargo if those claims are included among those released in the Settlement.

As part of this settlement, the Court has preliminary enjoined all Class Members and/or their representatives (who do not timely exclude themselves from the Class) from maintaining, commencing, prosecuting, or pursuing any Released Claim as Class Members or otherwise against Wells Fargo (or against any of their related parties or affiliates).

Upon final approval of the settlement, Plaintiffs and Wells Fargo will ask the Court to make this injunction permanent. All Settlement Class Members will be bound by this permanent injunction.

PART VII: OBJECTING TO THE SETTLEMENT

You have the right to tell the Court that you do not agree with the settlement or any or all of its terms.

17. HOW CAN I OBJECT TO THE PROPOSED SETTLEMENT?

If you choose to remain a Settlement Class Member, you have a right to object to any parts of the proposed settlement. The Court will consider your views.

To be considered by the Court, your written objection must include:

- (1) the case name and number: *Vana Fowler, et al. v. Wells Fargo Bank, N.A.*, No. 4:17-cv-02092-HSG;
- (2) your name;
- (3) your address;
- (4) your telephone number;
- (5) if you are represented by counsel, the name, address, and telephone number of your counsel;
- (6) a written statement of the specific legal and factual bases for your objection(s);
- (7) each instance that you or your counsel has objected to a class settlement in the last five years; and
- (8) a statement of whether you intend to appear and argue at the Final Approval Hearing, either with or

without counsel.

Your written objections must be **filed with the Court no later than November 20, 2018:**

Clerk of the Court
United States District Court for the Northern District of California
Oakland Division
1301 Clay Street
Suite 400 S
Oakland, CA 94612

You must also mail your objection to Class Counsel and Defense Counsel, at their addresses:

CLASS COUNSEL	WELLS FARGO'S COUNSEL
Adam L. Hoipkemier Kevin Epps Epps Holloway DeLoach & Hoipkemier LLP 1220 Langford Drive, Bldg. 200-101 Watkinsville, GA 30677	K. Issac deVyver Karla L. Johnson McGuireWoods LLP 260 Forbes Avenue Pittsburgh, PA 15222

If you file objections, but the Court approves the settlement as proposed, you are still eligible for benefits under the settlement, subject to the terms and conditions discussed in this Notice and in the Settlement Agreement.

18. WHAT IS THE DIFFERENCE BETWEEN “OBJECTING” AND “EXCLUDING”?

Objecting is simply a way of telling the Court that you do not like something about the Settlement. You can only object if you stay in the Settlement Class.

If you object to the Settlement, you still remain a member of the Settlement Class, eligible to benefit from the Settlement. You will also be bound by any subsequent rulings in this Action and you will not be able to file or participate in any other lawsuit or proceeding based upon or relating to the claims, causes of action, facts, or circumstances of this case.

Excluding yourself is telling the Court that you do not want to be a part of the Settlement Class. If you exclude yourself, you have no basis to object to the Settlement or appear at the Final Approval Hearing because it no longer affects you.

PART VIII: THE COURT'S FINAL APPROVAL HEARING

The Court will hold a final hearing (called a Final Approval Hearing) to decide whether to finally approve the settlement.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

On **December 20, 2018, at 2:00 p.m.**, the Court will hold a Final Approval Hearing at the United States District Court for the Northern District of California, before the Honorable Haywood S. Gilliam, Jr., in Courtroom 2, 1301 Clay Street, Oakland, CA 94612.

At the hearing, the Court will consider whether to grant final certification to the Settlement Class for settlement purposes, whether to approve the proposed settlement as fair, reasonable and adequate, whether to award attorneys' fees and costs, whether to award the Class Representatives an award for their help, and consider related settlement issues. We do not know whether the Court will make its decision on the day of the hearing or sometime later.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have at the Final Approval Hearing. But you are welcome to come at your own expense. Please note that the Court has the right to change the date and/or time of the Final Approval Hearing without further notice. If you are planning to attend the hearing, you should confirm the date and time before going to the Court.

21. MAY I SPEAK AT THE FINAL APPROVAL HEARING?

Yes, if you have filed an objection, you may ask the Court for permission to speak at the hearing. To do so, you must submit an objection and also file a document called a "Notice of Intention to Appear" as described in response to Question 22, below.

22. WHAT DO I HAVE TO DO TO SPEAK AT THE FINAL APPROVAL HEARING?

If you are a member of the Settlement Class, and you (or your attorney) want to appear and speak at the Final Approval Hearing, you (or your attorney) must have submitted an objection and must file a **Notice of Intention to Appear at the Final Approval Hearing. Your Notice of Intention to Appear at the Final Approval Hearing, along with any papers, exhibits, or other evidence you intend to present, must be filed with the Court at the address specified in Question 17, and served on Class Counsel and Defense Counsel (at their addresses specified in Section 17 of the Settlement Agreement) no later than November 20, 2018.**

If you file an objection and appear at the Final Approval Hearing, but the Court approves the settlement as proposed, you will still be eligible to benefit from the Settlement, subject to the terms and conditions discussed in this Notice and in the Settlement Agreement.

PART IX: GETTING ADDITIONAL INFORMATION

23. HOW DO I GET MORE INFORMATION?

This Notice and the accompanying documents summarize the proposed settlement. More details are contained in the Settlement Agreement. The full Settlement Agreement is on file with the Clerk of the Court and is also available at www.FHASettlement.com. For a more detailed statement of the matters involved in this case, you may review the complaint and the other papers and Court orders on file in the Clerk's office at any time during normal business hours, Monday through Friday, 9:00 a.m. to 4:00 p.m. Pacific Time.

If you have questions after reading this notice, you may direct your questions about the settlement to Class Counsel, whose name and address is listed in response to Question 11 of this Notice.

PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT

Dated: October 5, 2018

Clerk of the Court
United States District Court for the Northern District of California