

SAN FRANCISCO, April 22 /PRNewswire/ -- The California Reinvestment Coalition (CRC) and the Community Reinvestment Association of North Carolina (CRA-NC) will hold a press conference on Monday, April 25 to highlight Wells Fargo & Company's funding of payday lenders. The groups are part of a community and investor collaborative supporting a shareholder resolution to be voted on at Wells Fargo's annual shareholder meeting on Tuesday, April 26. The resolution asks the bank to cease and desist providing credit services to payday lenders.

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At the event, the community groups will follow a money trail of oversized dollar bill footprints leading from the Wells Fargo Bank branch at 3027 16th Street to a Money Mart outlet at 500 Valencia Street (one block away). There, a giant check for \$55 million will be presented -- the amount that Wells Fargo funds Money Mart's parent corporation, Dollar Financial, to make 460% interest rate loans. Money Mart has 119 locations in California and estimates a profit of 32.3 percent per store. Consumer advocates contend that payday lending traps borrowers in a cycle of debt. Consumers often end up paying more in fees than the total principal they originally borrowed.

The California Reinvestment Coalition released a new study in March titled *The Financial Divide: An Uneven Playing Field*. This study exposes how bank financing has supported the growth of high-priced payday lenders in California. The report estimates that more than \$2 billion in fees is paid annually by Californians to payday lenders and check cashers. Wells Fargo is one of the chief culprits. "Wells Fargo should not fund payday lenders to make these high cost, predatory loans," said Kevin Stein, Associate Director of CRC.

The Community Reinvestment Association of North Carolina, based in Durham, North Carolina, is the sponsor of the shareholder resolution asking Wells Fargo to end its credit and banking services to payday lenders. Payday lending is illegal under North Carolina law, but Wells Fargo funds payday lenders such as Advance America that pre-empt state laws by partnering with out of state banks.

"Payday lending is not helping consumers who are caught in the debt trap. We are asking Wells Fargo to end its support of payday lenders," said Peter Skillern, Executive Director of CRA-NC.

North Carolina State Treasurer Richard Moore has announced his support of the resolution and directed investment managers for the state's pension plans to vote North Carolina's shares in favor. North Carolina's pension plan holds 2.5 million shares of Wells Fargo with a

market value of \$152 million.

The number of check cashers and payday lenders has increased nationally from 2,000 in 1996 to 22,000 in 2003. "Rather than provide banking services, traditional banks like Wells Fargo provide millions of dollars to predatory lenders like Advance America, Ace Cash Express and Money Mart's parent Dollar Financial," said Alan Fisher, Executive Director of CRC.

More information about CRA-NC's Wells Fargo Anti-Predatory Lending shareholder resolution is available from CRA-NC at <http://www.cra-nc.org/wellsfargo.htm> .

CRC's study The Financial Divide: An Uneven Playing Field is available from CRC at http://www.calreinvest.org/pdf/CRC_FinancialDivide.pdf .

The California Reinvestment Coalition's mission is to revitalize California's low-income and minority communities by increasing access to credit and deposit services. Our goals include leveraging the federal Community Reinvestment Act to increase the flow of credit and investments into California's low-income communities and communities of color.

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The Community Reinvestment Association of North Carolina is a nonprofit, nonpartisan research and advocacy organization whose mission is to promote and protect community wealth. We advocate for change in the lending practices of financial institutions to promote wealth building for underserved communities and to end predatory lending practices that strip wealth.

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