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# Wells Fargo Consents To Close To \$1 Million in Mortgage Restitution

Wells Fargo consented to paying close to \$1 million dollars in restitution to borrowers involved with loans from two of its acquired lenders, Wachovia and Golden West Financial.

Wachovia and Golden West offered their borrowers a "Pick-a-Payment" plan in which one of the plans allowed borrowers the option of submitting payments for less than the interest due on their loan. Lenders failed to clearly explain that such a payment plan would not cover the full interest due which in turn would increase the loans principal debt.

The Consumer Protection Division deemed this oversight fraudulent and therefore grounds for seeking restitution.

Wells Fargo will pay \$940,056 to borrowers with "Pick-a-Payment" as well as consider mortgage modifications for the same borrowers.

Tom Goyda, a vice president and spokesman for Wells Fargo Home Mortgage, stated "Wells Fargo is further helping at-risk Wachovia Pick-a-Payment customers who may be eligible to earn principal forgiveness by making on-time mortgage payments."