



April 24, 2017

Mr. Timothy Sloan
Chief Executive Officer and President
Wells Fargo & Company
420 Montgomery Street, 12th Floor
San Francisco, California 94104

Dear Mr. Sloan:

On December 13, 2016, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (together, the Agencies) jointly determined that Wells Fargo & Company (WFC) did not adequately remedy two deficiencies (the Remaining Deficiencies) of the three deficiencies in WFC's 2015 resolution plan that the Agencies jointly identified in their notice dated April 12, 2016 (April Letter).¹ On December 13, 2016, the Agencies also jointly determined that WFC and its subsidiaries would be subject to certain restrictions on their activities, growth, and operations. The Agencies described the Remaining Deficiencies and related restrictions in their letter to WFC dated December 13, 2016 (December Letter).

On March 31, 2017, WFC submitted to the Agencies a revised submission (Revised Submission) to address the Remaining Deficiencies. The Agencies have reviewed the Revised Submission and have jointly determined that the Revised Submission adequately remedies the Remaining Deficiencies. Therefore, as of April 24, 2017, WFC and its subsidiaries are no longer

¹ References to resolution plans in this letter refer to resolution plan submissions required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Agencies' jointly-issued implementing regulation. 12 U.S.C. § 5365(d); 12 CFR parts 243 and 381.

subject to the restrictions on the activities, growth, and operations described in the December Letter.

The Agencies note that WFC has taken important steps in addressing the deficiencies outlined in the December Letter. Specifically:

Legal Entity Rationalization: WFC's Revised Submission reflects that WFC has adequately remedied the legal entity rationalization deficiency identified in the December Letter. WFC has demonstrated that its legal entity rationalization criteria are clear, actionable, and promote the best alignment of legal entities and business lines to improve the firm's resolvability given the firm's bridge bank strategy. In particular, the firm provided examples demonstrating how application of the criteria has caused the firm to take action to optimize its organizational structure and also provided an analysis of how the resolvability risks of a bridge bank strategy are addressed by the criteria. The submission also includes formalized governance procedures to ensure the application of the criteria on an ongoing basis.

Operational (Shared Services): WFC's Revised Submission reflects that it has adequately remedied the operational deficiency related to shared services identified in the December Letter. In particular, WFC has incorporated the mapping of critical services into its legal entity rationalization criteria and implementation efforts. The firm has identified areas of potential misalignment between its criteria and its existing servicing model, and the Revised Submission indicates that the firm is taking appropriate action to address these areas.

The Agencies' findings described in this letter relate only to the Agencies' review of the Remaining Deficiencies.² As explained in the April Letter, the December Letter, and the Agencies' *Guidance for 2017 § 165(d) Annual Resolution Plan Submissions By Domestic Covered Companies that Submitted Resolution Plans in July 2015* (Guidance for 2017 Submissions), the Agencies will review the July 1, 2017 plan submission (2017 Plan) to determine if WFC has met the requirements of section 165(d) of the Dodd-Frank Act, including those detailed in the Guidance for 2017 Submissions.³ If the Agencies jointly decide that these matters are not satisfactorily addressed in the 2017 Plan, the Agencies may determine jointly that the 2017 Plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code.

If you have any questions about the information communicated in this letter, please contact the Agencies.

Very truly yours,

Ann E. Misback (Signed)

Ann E. Misback
Secretary of the Board
Board of Governors
of the Federal Reserve System

Very truly yours,

Robert E. Feldman (Signed)

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation

² The Revised Submission was not required to include informational content other than as specified in the December 2016 Letter.

³ In the event impediments arise that are outside the firm's control (e.g., regulatory approvals) and the firm believes a different schedule for completion is necessary for one or more current or planned futures actions, the firm should provide detailed support for that schedule, and the Agencies will determine on a case-by-case basis whether a different schedule is consistent with the requirements of the implementing rules. If the firm has previously provided the Agencies with support for that schedule, the firm may incorporate that support by reference as appropriate.