

## Rondo Community Land Trust

September 17, 1998

TO: JoAnne F. Lewellen, Assistant Vice President Community Affairs Officer  
FROM: Zula Young, Vice President, Rondo Community Land Trust Board of Directors  
RE: Testimony regarding Norwest Corporation/Wells Fargo and Company Proposed Merger.

My name is Zula Young; I live and work in St. Paul. I am the Vice President of the Rondo Community Land Trust (CLT) Board of Directors. I wish to thank the Federal Reserve Bank for the opportunity to speak to the proposed merger between Norwest Corporation and Wells Fargo and Company.

I am a single parent who has had the opportunity to purchase the first completed land trust house in St. Paul. I grew up in the neighborhood where my home is now located. I am very active within my community. I am also an organizer of the community garden program called SAGE, and also a member of the Summit-University Weed and Seed Program. I work as a para-professional in the public schools system within my community.

The land trust model is unique in that it limits the equity but provides long-term (99 years) affordable housing for low and moderate-income families.

Norwest Mortgage was willing to put the extra time in to understand how the land trust model works and the ability to make lending decisions here in the community. They have the ability to say yes to new ideas at the local level.

Norwest Mortgage had not done any land trust mortgages before mine, because of Rondo CLT and Norwest Mortgage; I may not have had the opportunity to own my own house.

The land trust model is fairly new to the Twin Cities and Minnesota. Norwest was the first and to date, the only mortgage company willing to take a chance with Rondo CLT and separating the land from the building and agreeing to the Groundlease document.

Our relationship with Norwest is built around the people we work with on a regular basis and affordable housing. Rondo CLT has developed a trusting, working relationship with these and other individuals at Norwest Corporation. We deal with:

Karl Schwichtenberg, Norwest Mortgage  
Sally Berdt, Norwest Real Estate Management Services  
Mary Gabler, Norwest Twin City Community Development and  
Bill Canfield, Norwest Mortgage

Rondo would hope and expect the Norwest philosophy will continue that allows us to work with Karl, Sally, Mary and Bill after the merger. It is individual people within an already very large corporation that makes it work now. These are the people that make it work today and the same ones that will make it work in the future.

Norwest was willing to take a chance with the Rondo CLT Groundlease. We would hope the Norwest philosophy to continue that allows people within the Corporation to listen to new ideas such as land trusts and act on them at the local level.

While Rondo CLT is a small housing organization in St. Paul, we are providing affordable housing one house at a time, and so far Norwest has been there one mortgage at a time.

When the shortage of affordable housing is better understood at both the local and national level and there is more of a willingness to provide funds to build and renovate affordable housing, we will all increase our production levels. When that day comes, we would hope the Norwest philosophy of working with neighborhood housing organizations to be there with us.

We want to see Norwest Mortgage Inc. expand the use of the land trust and other affordable mortgages throughout the country.

We believe the Norwest philosophy of local decision-making and a regional approach will ensure that Rondo CLT will have the same working relationship we now have with Norwest. We would hope that as merger talks continue both here and in Washington D.C., that Norwest/Wells would commitment now to the following:

- A defined regional approach will be established throughout the country. A regional system that allows real decision-making within each area.
- Karl, Sally, Mary and Bill should keep their current phone numbers without an 800 prefix. While some departments of Norwest are currently centralized, every effort should be made that allows for decision-making at the local level.
- To continue to take risks, listen to the ideas within the low-income communities, because that is where the answers are to solving our housing shortage.

Thank you for your time.