

**WELLS FARGO RESOLUTION & RECOVERY PLAN – LANDLORD FAQ****1. Why is Wells Fargo adding RRP wording to its leases and amendments now?**

Wells Fargo is modifying its leases now because the modifications have been mandated by applicable federal law.

Section 165(d) the Dodd-Frank Act (<https://goo.gl/x3Dbes>) requires that financial institutions prepare resolution plans (often called “living wills”) to ensure that if the institution becomes insolvent it can be “resolved” (unwound and stabilized) in an orderly manner without risk to the entire financial system and without extraordinary government support.

The Guidance document for the submission of 2017 Resolution & Recovery Plans (“RRPs”) states that financial institutions must identify critical services and “update contracts to incorporate appropriate terms and conditions to prevent automatic termination and facilitate continued provision of such services during resolution.” (See bottom of page 14 and top of page 15 in the [Guidance for 2017 §165\(d\) Annual Resolution Plan Submissions](#)).

2. Are all banks requiring this new RRP wording? Why hasn't X bank asked me to sign a similar RRP letter or to modify their lease and add RRP wording?

At this time, only the largest financial institutions, including Wells Fargo, are being required to update leases. Therefore, not all financial institutions will be requesting RRP amendments to their leases. X bank might not be large enough to meet the federal threshold for the RRP wording. The expectation is that eventually all financial institutions will be required to update their leases with RRP provisions.

3. Can you send me the law you mention in your letter so that I can see it for myself?

Please see answer to Question 1 above. As noted above, the requirement is set forth in Section 165(d) the Dodd-Frank Act (<https://goo.gl/x3Dbes>) and the [Guidance for 2017 §165\(d\) Annual Resolution Plan Submissions](#).

4. What is my risk if I agree to the RRP terms? What happens if Wells Fargo is in default under my lease?

Many of the provisions included in the RRP wording are already included in applicable federal law (e.g., under the Federal Deposit Insurance Act, the FDIC is afforded protections similar to those provided to corporations under the Bankruptcy Code and has the right to “take over” insolvent bank leases).

Also, the terms are applicable only if Wells Fargo continues to pay rent timely and continues to maintain and repair the Premises. If Wells Fargo is otherwise in default under the lease, and fails to cure after notice as provided in the lease, the RRP terms will not apply (although you may, for example, still have to seek relief under applicable insolvency law before effecting a remedy because of a default (e.g., having to obtain relief from the bankruptcy stay)).

5. If the RRP wording merely restates existing law, why do we have to include such terms in our lease?

Even though the RRP terms restate existing law, federal regulators are requiring large financial institutions to modify their leases to include the RRP wording. See Question 1 above and the [Guidance for 2017 §165\(d\) Annual Resolution Plan Submissions](#).

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