THE FEDERAL SAVINGS BANK
Co. NMLS# 411500
Member FDIC

Ted Rood
Branch Manager, Gen Way Home Mortgage
NMLS #543290
O Fallon, Missouri 63368

Office: 3147400004
Mobile: 314-740-0004
ted_rood@yahoo.com

Wells Settlement is FHA Record

Reuters is reporting that Wells Fargo & Co has agreed to pay a record **$1.2 billion** to resolve a dispute with the Justice Department over mortgages it falsely claimed were eligible for Federal Housing Administration (FHA) insurance. The settlement in the case *U.S. v. Wells Fargo Bank NA, U.S. District Court, Southern District of New York*, also resolves claims against a former Wells Fargo vice president, Kurt Lofrano and a federal probe in California of loan originations by American Mortgage Network LLC, which Wells Fargo bought in 2009.

Reuters says that in court papers filed with the Manhattan federal court the company "admits, acknowledges, and accepts responsibility" for falsely certifying that thousands of the home loans it originated during a period extending from 2001 to 2008 qualified for FHA insurance. Wells Fargo also admits that from 2002 to 2010 it "**failed to file timely reports** on several thousand loans that had material defects or were badly underwritten, a process that Lofrano was responsible for supervising."

The Justice Department maintained that the bank's actions led to **substantial losses for taxpayers** when the FHA had to pay insurance claims when borrowers defaulted on the loans.

U.S. Attorney Preet Bharara in Manhattan called the settlement a reproach for **"years of reckless underwriting"** by the bank and said in a statement, "While Wells Fargo enjoyed huge profits from its FHA loan business, the government was left holding the bag when the bad loans went bust."

This is just the latest in a long series of settlements between the U.S. government and many of the country's largest banks over risky loans written in the several years prior to the housing meltdown in 2008. The Wells Fargo settlement is the largest in FHA history over such infractions and the company stated in February that the settlement would reduce its previously reported 2015 profit by **$134 million**, to account for extra legal expenses.

Franklin Codel, president of Wells Fargo Home Lending, in a statement said the settlement "allows us to put the legal process behind us, and to focus our resources and energy on what we do best -- serving the needs of the nation's homeowners."

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.51%	+0.01	0.00
15YR Fixed	7.04%	+0.01	0.00
30YR FHA	7.08%	+0.03	0.00
30YR Jumbo	7.52%	+0.02	0.00
7/6 SOFR	7.12%	-0.01	0.00
30YR VA	7.10%	+0.03	0.00

Rates as of: 11/16

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.73	+0.02
10 YR Treasury	5.1250	-0.0092
30 YR Treasury	5.4731	-0.0027

Pricing as of: 11/16 7:33PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 4	204.6	+6.23%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood

Responsive service, experienced expertise

I've dedicated my 26 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

Ted Rood 

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood