

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

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Mr. Dimon, Mr. Moynihan, Ms. Fraser, Mr. Scharf, Mr. Cecere, Mr. Rogers, and Mr. Demchak:

I am alarmed at recent news reporting that Equifax provided inaccurate credit scores of potentially millions of consumers to numerous financial institutions relating to their credit applications.¹ The report quotes one Equifax executive, who said, “[I]nitial analysis indicates that only a small number of them may have received a different credit decision.”² Equifax’s CEO was quoted in the story to have said, “The impact is going to be quite small, not something that’s meaningful to Equifax.”³ While I sincerely hope Equifax’s error impacted very few consumers, I am less interested in how these inaccuracies will effect Equifax and remain very concerned that this error likely resulted in economic injury and otherwise harmed consumers who may have been denied credit when they needed it or are now paying higher interest rates on a loan than they are entitled to based on their actual credit scores when they applied.

¹ Andrew Ackerman and AnnaMaria Andriotis, [Equifax Sent Lenders Inaccurate Credit Scores on Millions of Consumers](#), Wall Street Journal (Aug. 2, 2022).

² *Id.*

³ *Id.*

Moreover, this incident comes five years after Equifax announced one of the largest data breaches in the history of our country that exposed the personal information of more than 147 million individuals. That incident, along with this recent episode and a litany of research, studies, and testimony demonstrating how broken our consumer credit reporting system is, all underscore the urgent need for CFPB and Congress to strengthen consumer protections in this area.⁴

To better inform our efforts, please provide detailed written responses to the following questions:

1. Does your financial institution utilize credit scores provided by Equifax, and if so:
 - a. Did your institution utilize such erroneous credit scores highlighted by this recent news report? If so, in which lines of business were those erroneous scores used? Please list which type of credit products were affected, including mortgage, auto, personal loans.
 - b. When did you become aware that Equifax provided erroneous credit scores? Please describe in detail your company's interactions with Equifax after becoming aware that they provided you with erroneous credit scores.
 - c. Please describe your contractual relationship with Equifax, including liability in relation to the provision and accuracy of credit scores they provide.
2. Have there been other instances where Equifax, any other consumer reporting agency, or credit scoring models provided inaccurate credit scores that your company has used in the past? If so, please describe.
3. When you became aware Equifax provided erroneous credit scores, which government agencies, if any, did you notify, and when did you do so?
4. Have you identified all affected consumers that were adversely impacted, and have you notified them?
5. How many credit applications did you process that utilized inaccurate scores from Equifax?
6. How many consumers did your company deny credit to based on Equifax's inaccurate credit score?
7. How many consumers did your company charge a higher interest rate for any credit they received based on Equifax's inaccurate credit score?

⁴ For example, see FSC hearing entitled, [Examining the Equifax Data Breach](#) (Oct. 5, 2017); FSC Continuation of Hearing entitled, [Examining the Equifax Data Breach](#) (Oct. 25, 2017); FSC hearing entitled, [Who's Keeping Score? Holding Credit Bureaus Accountable and Repairing a Broken System](#) (Feb. 26, 2019); FSC Task Force on Financial Technology hearing entitled, [Examining the Use of Alternative Data in Underwriting and Credit Scoring to Expand Access to Credit](#) (Jul. 25, 2019); FSC Subcommittee on Oversight & Investigations hearing entitled, [Consumer Credit Reporting: Assessing Accuracy and Compliance](#) (May 26, 2021); and FSC hearing entitled, [A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity](#) (Jun. 29, 2021).

8. How are you fully remediating all harmed consumers who were denied credit based on Equifax's faulty score, or are paying higher interest rates than they otherwise would have qualified for? Specifically:
 - a. For consumers that were denied credit based on the inaccurate credit score, are you offering new loans at the interest rate they would have qualified for?
 - b. For consumers that are paying a higher interest rate than what they would have qualified for based on their accurate credit score, are you offering to modify their loans to reflect the interest rate they would have qualified for?

9. On what date will all harmed consumers be notified and made whole?

I demand your prompt attention to this matter, and that you provide detailed, written responses to my questions no later than August 16, 2022. I am deeply concerned not all harmed consumers will be promptly identified, notified, and made whole. Therefore, I fully intend to utilize all tools available to me as Chairwoman of the House Financial Services Committee to ensure harmed consumers are promptly made whole, and to ensure consumers do not continue to get abused and harmed by our broken consumer credit reporting system going forward.

Sincerely,



MAXINE WATERS
Chairwoman

CC: The Honorable Patrick McHenry