

September 20, 2022

Ms. Priscilla Sims Brown  
President and Chief Executive Officer  
Amalgamated Bank  
275 7th Avenue  
New York City, New York 10001

Dear Ms. Brown,

We write to you concerning Amalgamated Bank's recent efforts to force U.S. companies to track those law-abiding Americans who are exercising their constitutionally protected right to purchase firearms. Amalgamated Bank has made clear that it does not lend to firearms manufacturers or sellers, nor maintain banking relationships with businesses involved in firearms sales. While it is a bank's choice with whom to do business, those choices should be determined by objective, risk-based metrics, not an adherence to advancing a social agenda.

Your efforts to force a divisive, progressive policy onto the entire American financial system is disconcerting. For more than a year, you have pressured the International Organization for Standardization (ISO) to create a new, firearm retailers specific Merchant Category Code (MCC). Historically, these businesses have been accurately categorized under Miscellaneous Retail Stores or Sporting Goods Stores.

The ISO denied your initial July 2021 application, as well as your follow-up appeals in October and November of 2021. The ISO explained that "a new code for gun and ammunition sellers would fail to capture 'the sales at sporting goods stores' and, at the same time, would place a 'burden' on small retailers."<sup>1</sup>

Despite these sound economic reasons for denying your request, the ISO eventually caved to immense far-left political pressure and created a firearm-specific MCC. Amalgamated Bank has now stated it plans to use software to flag allegedly suspicious purchases made by Americans exercising their Second Amendment rights and file these red flags for law enforcement.<sup>2</sup>

As you know, there is no fair or impartial way to determine from a transaction's MCC whether a transaction is "suspicious." The MCC indicates only that a purchase was made at a certain retailer; it does not provide data regarding what was purchased. There is a serious risk that this new MCC will be abused with every transaction flagged as suspicious. At a minimum, monitoring the firearms seller MCC is an overt attempt to chill the exercise of constitutionally protected rights and poses a serious risk of circumventing important existing legal restrictions on

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<sup>1</sup> Clare Hymes and Alyssa Spady, *Pressure mounts for credit card companies to track suspect gun sales*, CBS News, Sept. 1, 2022, <https://www.cbsnews.com/news/credit-card-companies-gun-sales-congress-letters/>.

<sup>2</sup> Amalgamated Bank, "Amalgamated Bank Petition for New Code for Gun and Ammunition Stores Has Been Approved by International Standards Organization, Sept. 9, 2022, <https://www.amalgamatedbank.com/news/amalgamated-bank-petition-new-code-gun-and-ammunition-stores-has-been-approved-international>.

the creation of a firearm registry.

To better understand your motives and how you intend to use the firearm seller MCC, we request you provide answers to the following questions:

1. Why did Amalgamated Bank (“the bank”) pursue a specific MCC for firearm retailers? Did specific merchants approach the bank with respect to the creation of a new MCC? If so, who approached the bank?
2. Did specific consumers approach the bank to create a new MCC?
3. What were the specific issues the bank had with the previous MCC? Are those problems documented?
4. What data does the bank plan to collect using the new MCC?
5. Please explain how the bank plans to use the data collected using the new MCC.
6. Please explain how the bank will identify “suspicious” transactions using the new MCC.
  - a. If the bank plans to use data other than the MCC to identify “suspicious” transactions, please identify what additional data the bank plans to use and how that data will be analyzed with data from the new MCC.
  - b. How will the bank distinguish between lawful firearm purchases and unlawful firearm purchases using the new MCC?
  - c. Does the bank plan to track spending patterns using the data from the MCC? If yes, please explain what spending patterns the bank will be tracking. Is data from the MCC the primary way in which the bank will track spending patterns? What other data will the bank use to identify and track spending patterns?
7. How will the bank determine whether a “suspicious” transaction using the new MCC needs to be reported to law enforcement, and how will the bank make such reports?
8. To which law enforcement agencies does the bank plan to report such data?
9. Does the bank anticipate that tracking purchases at firearms retailers will push more legitimate purchasers to using cash?
10. Does the bank anticipate the new surveillance tactics will push more transactions to cash for criminals or straw purchasers looking to evade surveillance?
11. Do you anticipate this new code will capture firearms retailers that are not already clearly identified by their business name?

12. Does the bank anticipate that tracking firearms retailers will unfairly encourage customers to purchase firearms from large sporting goods stores instead of small businesses to avoid needless and unfair surveillance?
13. How will the bank ensure that lawful businesses, like firearms retailers, are not cutoff from the credit card payment system and needlessly forced to hold large sums of cash?
14. How will the bank ensure that it does not unfairly discriminate against small business firearm retailers who will be required to use the new MCC, while large retailers selling the same products continue to use existing MCCs?
15. Please list any contacts, staff, members, or representatives at the ISO and specifically within Technical Committee 68 that worked with the bank in the process of submitting and approving the application for the creation of a new MCC. In addition, please provide the written protocols to which the bank followed in submitting an application to the ISO.
16. Did any representatives or employees of the Brady Center to Prevent Gun Violence, Guns Down America, or the Giffords Law Center to Prevent Gun Violence participate in any meetings the bank had with the ISO?

We appreciate your prompt attention to this request. Please respond no later than October 1, 2022. If you have any questions, please contact Rachel Kaldahl, Chief Oversight Counsel, House Financial Services Committee – Minority, at 202-225-7502.

Sincerely,



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Patrick McHenry  
Ranking Member  
Committee on Financial Services



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Ann Wagner  
Vice Ranking Member  
Committee on Financial Services



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Frank D. Lucas  
Committee on Financial Services



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Pete Sessions  
Committee on Financial Services



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Bill Posey  
Committee on Financial Services



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Blaine Luetkemeyer  
Committee on Financial Services



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Bill Huizenga  
Committee on Financial Services



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Andy Barr  
Committee on Financial Services



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Roger Williams  
Committee on Financial Services



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French Hill  
Committee on Financial Services



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Tom Emmer  
Committee on Financial Services



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Lee M. Zeldin  
Committee on Financial Services



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Barry Loudermilk  
Committee on Financial Services



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Alexander X. Mooney  
Committee on Financial Services



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Warren Davidson  
Committee on Financial Services



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Ted Budd  
Committee on Financial Services



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Trey Hollingsworth  
Committee on Financial Services



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Anthony Gonzalez  
Committee on Financial Services



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John Rose  
Committee on Financial Services



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Bryan Steil  
Committee on Financial Services

*William R Timmons IV*

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William Timmons  
Committee on Financial Services

*Van Taylor*

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Van Taylor  
Committee on Financial Services

*Ralph Norman*

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Ralph Norman  
Committee on Financial Services