

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

September 16, 2022

Memorandum

To: Members, Committee on Financial Services
From: FSC Majority Staff
Subject: September 21, 2022, Full Hearing entitled, “Holding Megabanks Accountable: Oversight of America’s Largest Consumer Facing Banks”

The full Committee will hold a hybrid hearing entitled, “Holding Megabanks Accountable: Oversight of America’s Largest Consumer Facing Banks” on Wednesday, September 21, 2022, at 10:00 a.m. ET in room 2128 of the Rayburn House Office Building and on Cisco Webex. There will be one panel with the following witness:

- **Andy Cecere**, Chairman, President, and CEO, U.S. Bancorp
- **William Demchak**, Chairman, President, and CEO, The PNC Financial Services Group
- **Jamie Dimon**, Chairman and CEO, JPMorgan Chase & Co.
- **Jane Fraser**, CEO, Citigroup
- **Brian Moynihan**, Chairman and CEO, Bank of America
- **William Rogers Jr.**, Chairman and CEO, Truist Financial Corporation
- **Charles Scharf**, President and CEO, Wells Fargo & Company

Overview

This hearing is the continuation of a series of hearings with the Chief Executive Officers of the largest U.S. banks to review trends and developments in the industry in recent years.¹ Representing the largest U.S. commercial banks, the CEOs of Bank of America (BofA), Citigroup (Citi), JPMorgan Chase (JPM), PNC, Truist, U.S. Bancorp (U.S. Bank), and Wells Fargo have been asked to testify on various issues, including consumer protection and compliance issues, enforcement actions and recidivism; diversity, inclusion, and racial equity; mergers and acquisitions; emerging technologies; and issues relating to the public interest, including worker rights and abortion access, among other topics. America’s largest commercial banks play a critical role in the everyday lives of consumers and the overall health of our economy. As Congress looks to tackle major issues such as pervasive racial inequalities in financial services, systemic risks to our financial system, including climate change, as well as the ongoing COVID-19 pandemic, and Russia’s invasion of Ukraine, this hearing will bring greater transparency and accountability for the actions of these major industry players.

Recent Growth, Branches, and Enforcement Actions

BofA, Citi, JPM, PNC, Truist, U.S. Bank, and Wells Fargo are the seven largest commercial banks in the United States. These banks have maintained adequate capital and leverage ratios, provided PPP loans, and engaged in stock buybacks in 2021.² With the exception of Wells Fargo, which is subject to an asset cap restriction imposed by the Fed, these banks have generally increased in size since 2019 and

¹ House Financial Services Committee (FSC) hearings entitled, [Holding Megabanks Accountable: An Examination of Wells Fargo’s Pattern of Consumer Abuses](#) (Mar. 12, 2019); [Holding Megabanks Accountable: A Review of Global Systemically Important Banks 10 years after the Financial Crisis](#) (Apr. 10, 2019); [Holding Wells Fargo Accountable: CEO Perspectives on Next Steps for the Bank that Broke America’s Trust](#) (Mar. 10, 2020); [Holding Wells Fargo Accountable: Examining the Role of the Board of Directors in the Bank’s Egregious Pattern of Consumer Abuses](#) (Mar. 11, 2020); and [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021). This memo was prepared with the assistance of the Congressional Research Service (CRS). For more information, see CRS, [Banking Policy Issues in the 117th Congress](#) (Mar. 2, 2021).

² See Table 1 (total assets), Table 7 (PPP), Table 9 (capital), Table 10 (leverage) & Table 11 (buybacks) in Appendix B.

collectively hold more than \$11 trillion in assets.³ Recent mergers have played a role in the growth and number of megabanks. For example, PNC was approved to acquire BBVA in May 2021 and is now the sixth largest U.S. depository, while prior to the acquisition, PNC was the 12th largest.⁴ Truist was the result of a merger between two regional banks, BB&T and SunTrust, that was approved in 2019, and the bank is now the seventh largest commercial bank.⁵ U.S. Bank, the fifth largest commercial bank, applied to acquire MUFG Union Bank in October 2021, and the application is still pending.⁶ Meanwhile, the other banks have each merged with, or acquired, other businesses since 2020.⁷

Banking deserts, where communities lack adequate access to a nearby bank branch, may make it more difficult to reduce the number of Americans who are unbanked and underbanked.⁸ Since 2010, the four largest banks have closed 4,727 (25%) of their branches.⁹ A recent study showed the pace of branch closures doubled during the pandemic and one-third of bank branches closed from 2017 to 2021 were in low- to moderate-income (LMI) communities and communities of color.¹⁰

The largest banks continue to face enforcement actions for unlawful behavior, often to the detriment of consumers. In recent years, the Committee has reviewed a long list of enforcement actions taken against megabanks over the previous decade—most notably the multiple open consent orders on Wells Fargo stemming from their compliance failures and egregious consumer abuse—while the banks made record profits over the same period.¹¹ Since their testimony last year, certain banks have faced additional enforcement actions and regulatory sanctions. For example, BofA was fined \$225 million for wrongfully freezing accounts and preventing the disbursement of state unemployment benefits at the height of the pandemic.¹² Wells Fargo was assessed a \$250 million penalty from the OCC for deficiencies in its home lending loss mitigation program, as well as violating a 2018 consent order.¹³ U.S. Bank also faced a \$37.5 million fine earlier this year for illegally opening fake accounts.¹⁴

Consumer Protection

Mortgage Lending. Rising interest rates in response to inflation are cooling demand for mortgage originations for most banks.¹⁵ For example, as of April, Wells Fargo home loans fell one third from the previous year, Citi's mortgage originations were down 30% from the first quarter of 2021, and JPM's home lending net revenue was down 20%.¹⁶ Meanwhile, foreclosure filings have been up across the market, with the number of foreclosure starts up 219% since the beginning of the year.¹⁷ Moreover, research suggests that mortgage credit is less available for lower-cost homes.¹⁸ For example, smaller mortgage originations between \$10,000 and \$70,000 have dropped roughly 50% from 2011 to 2021; mortgages between \$70,000 and \$150,000 have fallen 21% in the same timeframe.¹⁹ Big banks have also reduced their small dollar mortgage volume, with the four largest banks seeing mortgage originations of under \$100,000 declining from 9-16% of their origination volume in 2016-2017 to 4-7% in 2020-2021.²⁰

³ Federal Financial Institutions Examination Council, [Large Holding Companies](#) (Mar. 31, 2022).

⁴ Federal Reserve, [Order Approving the Acquisition of a Bank Holding Company](#), FRB Order No. 2021-04 (May 14, 2021).

⁵ Federal Reserve Statistical Release, [Large Commercial Banks](#) (June 30, 2022).

⁶ *Id.*

⁷ S&P Capital IQ, *Financial Deals*.

⁸ CRS, [Financial Inclusion: Access to Bank Accounts](#) (Aug. 27, 2020).

⁹ See Table 4 in Appendix B.

¹⁰ NCRC, [The Great Consolidation Of Banks And Acceleration Of Branch Closures Across America](#) (Feb. 2022).

¹¹ FSC, *supra* note 1. Also see Tables 3 and 8 in Appendix B for recent enforcement and profit data.

¹² CFPB, [Regulators Fine BofA \\$225 Million Over Botched Disbursement of State Unemployment Benefits](#) (Jul. 14, 2022).

¹³ OCC, [OCC Assesses \\$250 Million Civil Money Penalty, Issues Cease and Desist Order Against Wells Fargo](#) (Sept. 9, 2021).

¹⁴ CFPB, [CFPB Fines U.S. Bank \\$37.5 Million for Illegally Exploiting Personal Data to Open Sham Accounts](#) (Jul. 28, 2022).

¹⁵ Elizabeth Dilts Marshall & Michelle Price, [Soaring interest rates weigh on big bank mortgage loan growth](#) (Apr. 18, 2022).

¹⁶ *Id.*

¹⁷ Marketwatch, ['Dramatic increase.' Foreclosure filings are up more than 150%](#) (Jul. 30, 2022).

¹⁸ Urban Institute, [Making FHA Small-Dollar Mortgages More Accessible Could Make Homeownership More Equitable](#) (Apr. 22, 2021).

¹⁹ CNBC, [The lack of small-dollar mortgages is preventing Americans from purchasing affordable homes](#) (May 25, 2022).

²⁰ Data provided by BofA (12% of mortgage originations were under \$100,000 in 2016; 4% in 2021), Citi (16% in 2016; 7% in 2020) JPM (9% in 2017; 6% in 2021), Wells Fargo (11% in 2016; 7% in 2021) to FSC staff in May 2021.

Wells Fargo is facing allegations of racial discrimination in refinancing after reporting that the bank denied more than half of Black refinancing applicants in 2020.²¹ One lawsuit alleges that this was a higher rate than other banks and that Wells Fargo's lending algorithms and branch locations predominantly in White neighborhoods contribute to the disparity.²² BofA announced last month that it would begin offering a Special Purpose Credit Program that provides zero down payment and zero closing cost mortgages in Black and Latinx communities.²³ The pilot program would include neighborhoods in Charlotte, Dallas, Detroit, Los Angeles, and Miami and would also not require a minimum credit score.²⁴ This is similar to a program launched by JPM last year that offers up to \$5,000 in grants for down payment and closing costs in 6,700 neighborhoods of color across the U.S.²⁵

Equifax's Inaccurate Credit Scores. In August, the *Wall Street Journal* reported that for a three-week period between mid-March and early April, Equifax sent inaccurate credit scores "on people applying for auto loans, mortgages and credit cards to banks and nonbank lenders big and small."²⁶ Chairwoman Waters sent several letters, including to the banks testifying at this hearing, requesting more information.²⁷ According to Equifax's response, they made a coding error on March 17th that resulted in inaccurate credit scores being shared with financial institutions. After receiving two reports that there were errors, Equifax investigated and implemented a temporary fix on April 6th and made a permanent fix on April 8th, but they did not notify CFPB until early May. They also wrote, "[E]arly feedback from our customers' analyses suggest that the number of consumers who received a more negative credit decision or price than they otherwise would have without the error will be less than 300,000."²⁸ According to the banks' responses to Chairwoman Waters, as of August 24, 2022, they had collectively identified more than 4,500 harmed consumers – with some being denied credit and others charged more than they should have been based on the use of Equifax's credit scores – and some banks have begun remediating them, while all of the banks except for one were continuing to investigate to identify any more consumers that may have been harmed.²⁹

Overdraft. A number of banks have started to take steps to reduce overdraft fees for consumers following concerns raised about the excessive fee amounts being charged.³⁰ For example, in 2021, JPM announced that it eliminated the nonsufficient funds fee (NSF), increased the minimum threshold for an account being overdrawn to at least \$50 before imposing overdraft fees, and that in 2022, the bank would provide an extra day for consumers before overdraft fees would be imposed.³¹ In January 2022, Wells Fargo announced that it would eliminate NSF fees and transfer fees for customers enrolled in overdraft protection, institute a 24-hour grace period before customers incur overdraft fees, and offer qualifying customers short-term credit of up to \$500.³² In February 2022, Citi announced that it would eliminate overdraft fees and NSF fees by this summer.³³ In July 2022, Truist launched a new account with no overdraft fees.³⁴ In January 2022, U.S. Bank also announced it had eliminated NSF fees and would allow for an account to be overdrawn by up to \$50 before assessing an overdraft fee, as well as allowing one day for consumers to bring their balance to \$50 overdrawn before assessing an overdraft fee.³⁵

²¹ See, e.g., Emily Flitter, [A Black homeowner is suing Wells Fargo, claiming discrimination.](#), New York Times (Mar. 21, 2022).

²² *Id.*

²³ Bank of America, [Bank of America Introduces Community Affordable Loan Solution to Expand Homeownership Opportunities in Black/African American and Hispanic-Latino Communities](#) (Aug. 30, 2022).

²⁴ *Id.*

²⁵ Chase, [Chase Expands Grant Program to Help Families Buy a Home and Stabilize Minority Communities](#) (Feb. 17, 2021).

²⁶ Wall Street Journal, [Equifax Sent Lenders Inaccurate Credit Scores on Millions of Consumers](#) (Aug. 2, 2022).

²⁷ FSC, [Chairwoman Waters Vows to Hold Equifax Accountable for Repeatedly Harming Consumers](#) (Aug. 10, 2022).

²⁸ Letter from Mark W. Begor, CEO, Equifax to Chairwoman Maxine Waters (Aug. 24, 2022).

²⁹ Committee staff analysis of letters received from JPM, BofA, Wells Fargo, Truist, Citi, PNC, and U.S. Bank.

³⁰ See, e.g. FSC hearing, [The End of Overdraft Fees? Examining the Movement to Eliminate the Fees Costing Consumers Billions](#) (Mar. 31, 2022); and CFPB, [Banks' overdraft/NSF fee revenues evolve along with their policies](#) (Jul. 20, 2022) with [Table](#) (Jun. 24, 2022).

³¹ JPMorgan Chase & Co., [Chase helps more than two million customers avoid overdraft service fees](#) (Dec. 8, 2021).

³² Wells Fargo, [Wells Fargo to Help Millions of Consumer Customers Avoid Overdraft Fees](#) (Jan. 11, 2022).

³³ Citi, [Citi Continues to Bolster its Focus on Financial Inclusion by Eliminating Overdraft Fees](#) (Feb. 24, 2022).

³⁴ Truist, [Truist launches new accounts with no overdraft fees](#) (Jul. 18, 2022).

³⁵ U.S. Bank, [U.S. Bancorp reports fourth quarter 2021 results](#) (Jan. 19, 2022).

Diversity, Inclusion, and Racial Equity

In February 2020, Committee staff released a report, finding that the largest banks generally lacked diversity in their senior ranks, corporate boards and provided limited data on their investment with diverse-owned firms.³⁶ Since then, information on workforce diversity at the largest banks has varied. For example, in 2021, BofA reported that 50% of its board and more than half of management comprised of women or people of color;³⁷ while Truist's most recent report showed that in 2021, 43% of its Board was "racially, ethnically, or gender diverse"³⁸ Wells Fargo reported that in 2020, 45% of its U.S workforce is "ethnically/racially diverse."³⁹ In the first half of 2021, several banks asked their shareholders to reject proposals calling for racial equity audits.⁴⁰ Since then, some banks have agreed to audits with varying degrees of scope. For example, Citi announced that their third-party audit would assess the bank's \$1 billion commitment to help address the racial wealth gap.⁴¹ JPM announced it would hire a third-party to conduct an audit of its \$30 billion commitment to helping close the racial wealth gap among Black and Latinx communities,⁴² and Wells Fargo announced it would commission a third-party audit that would "focus on elements of the bank's efforts to serve diverse communities and promote a diverse workforce."⁴³

Several of the largest banks committed to investing millions in minority depository institutions (MDIs) and community development financial institutions (CDFIs) to support communities of color in recent years. By the end of 2021, JPM had invested more than \$100 million of equity in MDIs and CDFIs,⁴⁴ Citi had allocated \$50 million to support MDIs and created a team dedicated to driving investment and revenue generating opportunities to MDIs,⁴⁵ PNC had invested over \$40 million in CDFIs,⁴⁶ Wells Fargo had invested \$8 million in CDFIs and announced investments in more than a dozen MDIs,⁴⁷ and U.S. Bank had made \$305 million in loan commitments to CDFIs.⁴⁸ BofA reported that it had committed \$43 million to MDIs and CDFIs supporting minority-owned businesses.⁴⁹

Promoting the Public Interest

There are a variety of additional issues the banks engage on that relate to the public interest. For example, since last year, four of the seven banks announced minimum wage increases. BofA said it would increase its minimum wage to \$22 per hour as of July 2022 and reach \$25 per hour by 2025.⁵⁰ JPM announced in June 2022 it would raise minimum pay to \$20-\$25 per hour, based on employee location.⁵¹ PNC raised its minimum wage to \$18 per hour as of November 2021.⁵² Truist plans to increase minimum wage to \$22 per hour in October 2022.⁵³ For the seven banks, the CEO to median employee compensation ratio generally increased between 2017 to 2021, with JPM having the highest ratio in 2021, increasing from 395:1 in 2020 to 917:1 in 2021.⁵⁴ In addition, following the Supreme Court decision to overturn *Roe v. Wade*, BofA, Citi, JPM, and Wells Fargo informed employees they would pay for employee travel for

³⁶ FSC, [Waters and Beatty Release Committee Staff Report Highlighting Lack of Diversity at Nation's Large Banks](#) (Feb. 12, 2020)

³⁷ Bank of America, [2021 Annual Report](#) (Accessed Sep. 6, 2022).

³⁸ Truist, [Diversity Equity Inclusion Infographic](#) (Jul. 1, 2022).

³⁹ Wells Fargo, [Diversity and Inclusion](#) (Accessed Sep. 6, 2022).

⁴⁰ Forbes, [Goldman Sachs And JPMorgan Look To Avoid Racial Equity Audits](#) (Apr. 12, 2021).

⁴¹ Citi, [Citi Will Conduct a Racial Equity Audit](#) (Oct. 22, 2021).

⁴² JPMorgan, [JPMorgan Chase Engages Third-Party for Racial Equity Audit](#) (Mar. 24, 2022).

⁴³ Wells Fargo, [Wells Fargo to Commission Third-Party Racial Equity Audit](#) (Sep. 13, 2022).

⁴⁴ JP Morgan, [JP Morgan Chase Provides an Update on its \\$30 Billion Racial Equity Commitment](#) (Oct. 26, 2021).

⁴⁵ Citi, [Citi's Action for Racial Equity Initiative Invests \\$1 Billion to Address the Racial Wealth Gap in the U.S.](#) (Nov. 9, 2021).

⁴⁶ PNC, [Carrying Out Our Commitments](#) (Dec. 17, 2021).

⁴⁷ Wells Fargo, [Wells Fargo Invests in Five Additional Black-Owned Banks](#) (Apr. 2021); *See also*, Caroline Hudson, [Wells Fargo awards \\$3 million to CDFIs supporting minority-owned small businesses](#), Triad Business Journals (Jul. 5, 2021).

⁴⁸ U.S. Bank, [Update on effort to help people build wealth, close persistent racial wealth gap](#) (March 9, 2022).

⁴⁹ Bank of America, [Advancing racial equity & economic opportunity](#) (Accessed Sep. 6, 2022).

⁵⁰ Bank of America, [Bank of America Accelerates US Minimum Hourly Wage to \\$22 as Next Step to \\$25 by 2025](#) (May 23, 2022).

⁵¹ American Banker, [Mounting pay pressure at banks as Truist, JPMorgan hike minimum wages](#) (Jul. 6, 2022).

⁵² PNC Financial Services Group, [PNC Bank Announces Minimum Pay Rate Increase](#) (Aug. 30, 2021).

⁵³ Truist Financial, [Truist boosts minimum wage to \\$22](#) (Jul. 6, 2022).

⁵⁴ S&P Capital IQ. Also see Table 5 (CEO compensation) & Table 6 (CEO-to-median pay) in Appendix B.

abortion treatment if the treatment was no longer available in their vicinity.⁵⁵ Furthermore, following deadly mass shootings in our country, several banks testifying have weighed in with policy changes and positions about their role in financing the sales of guns and ammunition.⁵⁶

Emerging Technologies and the Future of Banking

Financial technology continues to transform the financial system, particularly with the growth of digital banking, the rise of digital assets including cryptocurrencies, and the increasing use of artificial intelligence (AI) including machine learning (ML), to aid customer relations, fraud detection, and underwriting.⁵⁷ In 2017, a network of banks, including BofA, Citi, JPM, and Wells Fargo, launched Zelle, a payment application that allows consumers to make digital payments instantly. Recent news reports have noted that fraud has flourished on the platform, highlighting how quickly bad actors can siphon away “thousands of dollars in seconds” after tricking consumers into sending money via Zelle.⁵⁸ Despite this, many financial institutions have stated that refunding defrauded consumers is not their responsibility, since many of the fraudulent transactions were initiated by customers tricked into initiating the transfers.⁵⁹ Citi, JPM, and Wells Fargo have made investments in distributed ledger and blockchain-related companies that may offer cryptocurrencies.⁶⁰ JPM has developed the JPM Coin digital currency which “is a permissioned system that serves as a payment rail and deposit account ledger, that allows participating J.P. Morgan clients to transfer US Dollars held on deposit with J.P. Morgan within the system.”⁶¹ Meanwhile, Federal banking regulators have issued guidance that requires a bank notify their primary regulator before engaging in these activities, while highlighting related risks to safety and soundness, consumer protection, and financial stability such activities may pose.⁶²

Cyberthreats targeting financial institutions have grown in recent years, with a 238% increase in those cyberattacks in the first half of 2020.⁶³ Research has found that data breaches are costly to the financial sector, and threaten the data security and privacy of financial institutions’ customers.⁶⁴ With the growth of various fintech companies, some large commercial banks have acknowledged the competitive threat of their growth, while others have formed partnerships with fintechs to facilitate online digital banking and lending services.⁶⁵ The OCC recently spoke out about the potential systemic risk posed by “widespread and increasingly complex relationships between banks and fintechs.”⁶⁶

Appendix A: Legislation

The Committee has previously advanced a number of bills to address issues related to this hearing, including H.R. 2543, the Financial Services Racial Equity, Inclusion, and Economic Justice Act

⁵⁵ Wall Street Journal, [JPMorgan, Goldman Sachs and Other Big Banks Will Now Cover Travel Expenses for Employee Abortions](#) (Jun. 24, 2022), and Reuters, [Wells Fargo to cover employees' cost of travel for legal abortions](#) (Jun. 27, 2022).

⁵⁶ GUNS Magazine, [Banking On Disarmament](#) (2018; Accessed Sep. 12, 2022).

⁵⁷ Business Insider, [Artificial Intelligence in Banking 2022: How Banks Use AI](#) (Feb. 2022).

⁵⁸ New York Times, [Fraud Is Flourishing on Zelle. The Banks Say It's Not Their Problem.](#) (Mar. 6, 2022).

⁵⁹ *Id.*

⁶⁰ Blockdata, [Top Banks Investing in Crypto & Blockchain Companies](#) (May 9, 2022); Financial Times, [Citi, BNY Mellon and Wells Fargo invest in crypto tech company](#) (May 10, 2022).

⁶¹ JPM, [Onyx Coin Systems](#) (accessed Sep. 9, 2022).

⁶² OCC, [OCC Clarifies Bank Authority to Engage in Certain Cryptocurrency Activities and Authority of OCC to Charter National Trust Banks](#) (Nov. 23, 2021); FDIC, [Notification of Engaging in Crypto-Related Activities](#) (Apr. 7, 2022); and Fed, [SR 22-6 / CA 22-6: Engagement in Crypto-Asset-Related Activities by Federal Reserve-Supervised Banking Organizations](#) (Aug. 16, 2022).

⁶³ VMware, [Modern Bank Heists 3.0](#) (Accessed Sep. 7, 2022).

⁶⁴ UpGuard, [What is the Cost of a Data Breach in 2022?](#) (Sep. 2, 2022).

⁶⁵ U.S. Bank, [Plaid and U.S. Bank collaborate to deliver a secure open finance experience](#) (May 13, 2021).

⁶⁶ Claire Williams, [OCC's Hsu says bank-fintech relationships may be a systemic risk](#), American Banker (Sep. 7, 2022).

(Waters);⁶⁷ H.R. 3948, the G-SIB Act (Pressley);⁶⁸ H.R. 4277, the Overdraft Protection Act (Maloney);⁶⁹ H.R.5911, Fair Hiring in Banking Act (Beatty);⁷⁰ H.R. 8485, the Expanding Access to Credit through Consumer-Permissioned Data Act (Williams);⁷¹ and FSC provisions included in H.R. 7900, the National Defense and Authorization Act for FY 2023,⁷² among other bills. The following are additional bills the Committee will consider as part of this hearing:

- **H.R. 3571, “Climate Change Financial Risk Act” (Casten).** This bill requires FSOC to establish a committee to assist it in identifying risks and responding to threats to the financial system as a result of climate change. The Fed must develop financial risk analyses relating to climate change for certain large banks and nonbank financial companies, evaluating them every two years on whether they have the capital necessary to absorb financial losses that would arise under several different climate change risk scenarios. The bill also establishes the Climate Risk Scenario Technical Development Group to provide recommendations to the Fed regarding such climate change risk scenarios, and determine the financial and economic risks of these scenarios.⁷³
- **H.R. 4112, “Clarity in Credit Score Formation Act” (Lynch).** This bill would strengthen CFPB’s supervision of credit scores and credit scoring models, and directs the CFPB to study the impact of using alternative data in credit scoring models.
- **H.R. 4120, “Comprehensive Consumer Credit Reporting Reform Act” (Pressley).** This bill would make an extensive series of reforms to the Fair Credit Reporting Act by requiring consumer reporting agencies like Equifax to better ensure that consumer credit reports are accurate while increasing consumers’ rights to report and appeal credit report disputes. The bill would also, among other things, enhance oversight of credit scores. This comprehensive bill includes legislation sponsored by Representatives Adams, Beatty, Lawson, Lynch, Pressley, and Tlaib.⁷⁴
- **H.R. 5419, “Bank Merger Review Modernization Act” (C. García).** This bill would ensure bank mergers are in the public interest by clarifying and strengthening the public interest aspect of the merger review and require regulators to use a quantifiable metric to evaluate systemic risk.⁷⁵
- **H.R. 8833, “Making Communities Stronger through the Community Reinvestment Act” (Waters).** This bill would revise CRA rules to ensure that bank loans and investments are meaningful and responsive to the needs of low- and moderate-income communities, communities of color, and meeting the local needs of communities where banks have branches and issue most of their loans. Specifically, this bill would encourage banks to tailor their community development services, require banks to regularly meet with stakeholders to discuss current and future CRA obligations where banks have facilities, evaluate the lending activities completed through a non-bank or fintech partner, encourage banks to issue small-dollar mortgages, introduce stronger consequences for bank activities that are discriminatory or violate consumer financial protection laws, and require the Federal financial supervisory agencies to conduct a study identifying ongoing discrimination or racial disparities in access to credit.

⁶⁷ FSC, [Waters Leads Committee Democrats on House Passage of Historic Racial Equity Bill to Provide Overdue Mortgage Assistance, Lending and New Opportunities to Communities of Color](#) (Jun. 15, 2022). Also see [2-page summary](#) and [section-by-section](#) prepared by FSC majority staff.

⁶⁸ FSC, [Hybrid Markup - H.R. 2689; H.R. 3948; H.R. 3958 and H.R. 3968](#) (June 23, 2021).

⁶⁹ FSC, [Hybrid Markup - H.R. 1728; H.R. 2965; H.R. 4277; H.R. 4865; H.R. 6889; H.R. 7123; H.R. 8484; H.R. 8476; H.R. 8485; H.R. 8478; Resolution to Reauthorize the House Financial Services Committee’s Task Force on Artificial Intelligence & Resolution to Reauthorize the House Financial Services Committee’s Task Force on Financial Technology](#) (Jul. 27, 2022).

⁷⁰ FSC, [Waters Secures House Passage of Nine Bipartisan Financial Services Bills](#) (May 11, 2022).

⁷¹ FSC, [Hybrid Markup - H.R. 1728; H.R. 2965; H.R. 4277; H.R. 4865; H.R. 6889; H.R. 7123; H.R. 8484; H.R. 8476; H.R. 8485; H.R. 8478; Resolution to Reauthorize the House Financial Services Committee’s Task Force on Artificial Intelligence & Resolution to Reauthorize the House Financial Services Committee’s Task Force on Financial Technology](#) (Jul. 27, 2022)

⁷² FSC, [Waters Announces Committee Victories in 2023 National Defense and Authorization Act](#) (Jul. 18, 2022).

⁷³ Rep. Casten, [Casten, Schatz Reintroduce Legislation to Ensure U.S. Financial System is Prepared for Climate Change](#) (May 27, 2021).

⁷⁴ FSC hearing, [A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity](#) (Jun. 29, 2021).

⁷⁵ Sen. Warren, [Senator Warren and Rep. Chuy García Introduce the Bank Merger Review Modernization Act to End Rubber Stamping of Bank Merger Applications](#) (Sep. 30, 2021).

- **H.R. ____, “Community Reinvestment Reform Act” (Clever).** This bill would subject independent mortgage companies to CRA exams, codify community benefits agreements, specify conditions under which a bank may receive a downgrade and be required to create an improvement plan, and require disclosure of deposits from LMI communities.
- **H.R. ____, “Multilingual Financial Literacy Act” (S. Garcia).** This bill would require the Financial Literacy and Education Commission (FLEC) to carry out a study on the impact of language barriers to financial health and issue a report with recommendations on how to address these barriers to offer better financial inclusion for individuals with limited English proficiency, as well as require FLEC to coordinate and promote efforts of Federal agencies to make financial literacy and education resources available in at least eight of the most commonly spoken languages in the United States.
- **H.R. ____, “Protecting Your Credit Score Act” (Gottheimer).** This bill would require the three largest consumer reporting agencies to establish a joint online portal that gives consumers free and unlimited access to their consumer reports and credit scores, and, among other things, would establish a CFPB Credit Reporting Ombudsperson to enhance oversight of the CRAs and help consumers with credit reporting problems.
- **H.R. ____, “Repeat Offenders, Megabanks, and Credit Bureaus Accountability Act” (Waters).** This bill would require the CFPB, Federal Reserve, FDIC, and OCC to design a strategic plan outlining how they would utilize the full extent of their existing authority to hold megabanks, credit bureaus, and other large financial institutions accountable for a pattern of repeated compliance failures, including those that result in extensive consumer harm. It would also require treble damages for harmed consumers when these large institutions do not promptly notify the CFPB and the public when they violate any Federal consumer protection law, and provide for prompt remediation for harmed consumers. The bill would also require greater transparency regarding supervisory grades given to megabanks, and standards with respect to megabank boards. This bill is based, in part, on the Committee’s investigations of Wells Fargo and Equifax.⁷⁶
- **H.R. ____, “Enhanced Community Input on Megabank Merger Reviews Act.”** This bill would require regulators to establish a joint online database for proposed bank mergers, giving the public 120 days to comment on such mergers, requiring regulators convene a public hearing for large bank mergers (resulting bank has over \$100 billion in total assets), and requiring a plan to minimize the creation of banking deserts resulting from large bank mergers with input from LMI communities and communities of color.
- **H.R. ____, “Financial Data and Reproductive Justice Act.”** This bill ensures that financial data relating to the provision of abortion and other essential reproductive healthcare services are not accessed, disclosed, or otherwise disseminated by a third party without the express written consent of the individual, and provides the CFPB with the authority to issue relevant regulations.
- **H.R. ____, “Financial Services Worker Bill of Rights Act.”** This bill would enhance whistleblower protections, prohibit forced arbitration provisions in employment contracts, impose a fine on financial institutions that have excessive CEO to median pay ratios, and provide other worker protections.
- **H.R. ____, “Preventing Unfair Foreclosures Act.”** This bill would require loss mitigation options be provided to homeowners before foreclosure and provide additional protections to help homeowners facing foreclosure remain in their homes, including by codifying CFPB’s Regulation X rule requiring 120 days of delinquency before the start of a foreclosure, improving written

⁷⁶ FSC, [Waters Releases Staff Report on Pattern of Consumer Abuse from Wells Fargo](#) (Sep. 29, 2017); FSC, [Waters Introduces Groundbreaking Legislation to Shut Down Abusive Megabanks Like Wells Fargo](#) (Oct. 4, 2017); FSC, [In Advance of Wells Fargo Hearings, Waters and Green Release Investigative Report Exposing Failures of Megabank’s Management, Board, and Regulators](#) (Mar. 4, 2020); FSC, [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021); and FSC, [Chairwoman Waters Vows to Hold Equifax Accountable for Repeatedly Harming Consumers](#) (Aug. 10, 2022).

notices during the mortgage servicing process, and otherwise improving the mortgage servicing process for homeowners.

- **H.R. _____, “Protecting Consumers From Payment Scams Act.”** This bill would update the Electronic Fund Transfer Act (EFTA) to close gaps and clarify ambiguities when consumers are defrauded into sending money by covered payment apps. The bill would, among other things, protect consumers from liability when they are defrauded into initiating a transfer; eliminate EFTA’s exemption for bank wire transfers; and clarify when EFTA’s error resolution duties apply.

Appendix B: Data on Largest U.S. Commercial Banks

Table 1. Total Consolidated Assets

End of Year; Trillions of \$

Bank Holding Company (BHC)	2017	2018	2019	2020	2021	3/31/22
Bank of America (BofA)	\$2.3	\$2.4	\$2.4	\$2.8	\$3.2	\$3.2
Citigroup (Citi)	\$1.8	\$1.9	\$2.0	\$2.3	\$2.3	\$2.4
JPMorgan Chase (JPM)	\$2.5	\$2.6	\$2.7	\$3.4	\$3.7	\$4.0
PNC	\$0.4	\$0.4	\$0.4	\$0.5	\$0.6	\$0.5
Truist	n/a	n/a	n/a	\$0.5	\$0.5	\$0.5
U.S. Bancorp	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.6
Wells Fargo	\$2.0	\$1.9	\$1.9	\$2.0	\$1.9	\$1.9

Source: Federal Financial Institutions Examination Council, [Large Holding Companies](#)

Note: Truist was formed in a merger between BB&T and SunTrust in 2019.

Table 2. Reported Mergers and Acquisitions

Announced or Completed Since 2020

BHC	Merger/Acquisition	Minority Stake?	Transaction Value (millions of \$)
BofA	Axia Technologies	N	n/a
Citi	Bradford & Bingley*	N	\$6,963
JPM	Global Shares Ireland	N	n/a
	Viva Wallet	Y	n/a
	Volkswagen Payments	N	n/a
	Open Invest	N	n/a
	Banco C6	Y	n/a
	Campbell Global	N	n/a
	Nutmeg Saving and Investment	N	n/a
	CMB Wealth Management	Y	\$410
	55ip	N	n/a
	J.P. Morgan Securities (China)	Y	\$27
	China International Fund Management	Y	n/a
	Capitec Bank Holdings	Y	n/a
PNC	Tempus Technologies	Y	n/a
	BBVA USA Bancshares	N	\$11,567
Truist	BenefitMall	N	n/a
	Kensington Vanguard National Land Services	N	n/a
	Service Finance	N	\$2,000
	Constellation Affiliated Partners	N	n/a
	Program Insurance Management of Sarasota	N	n/a
	Wellington Risk Insurance	N	n/a
	Fidelis Group Holdings	N	n/a

BHC	Merger/Acquisition	Minority Stake?	Transaction Value (millions of \$)
	WBAIS	N	n/a
	Specialty Risk	N	n/a
U.S. Bancorp	PFM Asset Management	N	n/a
	State Farm Bank	N	n/a
Wells Fargo	Bankless		
	MacLean Investment Partners	N	n/a

Source: S&P Capital IQ, *Financial Deals*

Notes: S&P records the 2021 planned Acquisition of MUFG Union Bank as an “Asset or Branch Deal” instead of a “Financial Deal” so it is not listed in the table. Acquisitions only, not sales. Minority stake indicates most recent acquisition; in some cases, this may add to an existing stake that gives the company control. In some cases, firms were acquired by one of the BHC’s subsidiaries. “n/a” =not available.

* Acquisition involved multiple buyers.

Table 3. Recent Notable Enforcement Actions

	Agency Issuing Action	Date	Penalty Amount (millions of \$)	Docket/File Number
BofA	OCC, CFPB	7/14/2022	\$225	AA-ENF-2022-21, 2022-CFPB-0004
	CFPB	5/4/2022	\$10	2022-CFPB-0002
BofA (Merrill Lynch)	SEC	4/17/2020	\$0	IA-5479
Citi	OCC, Fed	10/7/2020	\$400	AA-EC-2020-65, 20-019-B-HC
	OCC	1/17/2020	\$18	AA-EC-209-91
	CFTC	9/28/2020	\$4.5	20-66
JPM	OCC	11/24/2020	\$250	AA-ENF-2020-70
	SEC, CFTC	9/29/2020	\$25 for SEC, \$920 for CFTC	33-10858, 20-69
	SEC	1/9/2020	\$1.5	33-10741
PNC	DOJ	12/7/2020	\$5	DOJ Release
Truist (BB&T/SunTrust)	SEC	3/5/2019	\$5.7	SEC Release
U.S. Bancorp (U.S. Bank)	CFPB	7/28/2022	\$37.5	2022-CFPB-0006
Wells Fargo	DOJ	9/27/2021	\$72.6	n/a
	OCC	9/9/2021	\$250	AA-ENF-2021-30
	SEC	2/27/2020	\$35	34-88295
	SEC	2/21/2020	\$500	34-88257

Source: CRS search of regulators’ (CFPB, CFTC, FDIC, Fed, OCC, SEC) and Doj’s enforcement action databases.

Notes: Docket number includes hyperlink to consent orders. List does not include new orders in enforcement actions that first occurred prior to 2020. List does not include enforcement actions against individuals working for the banks. List includes enforcement actions against identified subsidiaries. CRS could not provide a comprehensive search of all subsidiaries. Penalty amounts do not include disgorgements or interest.

More Information: For more information about enforcement actions and legal settlements for each bank using publicly available information, see the Good Jobs First Violation Tracker database: [Bank of America](#), [Citigroup](#), [JPMorgan Chase](#), [PNC Financial Services](#), [Truist Financial](#), [U.S. Bancorp](#), & [Wells Fargo](#).

Table 4. Number of U.S. Branches

	August 15, 2022	June 30, 2021	June 30, 2020	June 30, 2010
BofA	3,892	4,215	4,253	6,048
Citi	678	679	710	1,045
JPM	4,850	4,924	4,979	5,251
PNC	2,622	2,146	2,325	2,602
Truist	2,125	2,562	2,921	*3,516
U.S. Bancorp	2,252	2,319	2,774	3,055
Wells Fargo	4,779	4,989	5,410	6,582

Source: CRS, FDIC, [Summary of Deposits; FDIC BankFind Suite](#)

Notes: PNC branches spiked since June 2021 following the bank's merger with BBVA. *Truist is the result of a merger between two roughly equal-sized banks, SunTrust and BB&T, which operated in a similar geographic footprint. The June 30, 2010 data is a combination of BB&T branches (then 1,792) and SunTrust branches (then 1,724).

Table 5. CEO Compensation

Compensation in Millions

Institution	2017	2018	2019	2020	2021
BofA (Moynihan)	\$21.8	\$22.8	\$26.0	\$25.9	\$23.7
Citi (Corbat)*	\$17.8	\$24.2	\$25.5	\$23.0	\$15.3
Citi (Fraser)	n/a	n/a	n/a	n/a	\$20.5
JPM (Dimon)	\$28.3	\$30.0	\$31.6	\$31.7	\$84.4
PNC (Demchak)	\$13.9	\$15.7	\$16.5	\$15.9	\$17.5
Truist (Rogers)	n/a	n/a	\$3.2	\$8.7	\$10.4
U.S. Bancorp (Cecere)	\$12.0	\$13.4	\$18.8	\$16.8	\$19.2
Wells Fargo (Sloan)*	\$17.6	\$18.4	\$18.3	n/a	n/a
Wells Fargo (Scharf)	n/a	n/a	\$36.4	\$20.4	\$21.4

Source: S&P Capital IQ, *Compensation*

Notes: *Former CEO

Table 6. CEO to Median Worker Pay Ratio

Institution	2017	2018	2019	2020	2021
BofA	250:1	247:1	276:1	274:1	232:1
Citi	369:1	486:1	482:1	420:1	372:1
JPM	364:1	381:1	393:1	395:1	917:1
PNC	201:1	232:1	217:1	198:1	224:1
Truist	150:1	125:1	113:1	122:1	153:1
U.S. Bancorp	205:1	230:1	269:1	218:1	225:1
Wells Fargo	291:1	283:1	550:1*	274:1	290:1

Source: S&P Capital IQ.

Notes: *In Wells Fargo's proxy statement covering 2019, they noted the CEO compensation included a one-time replacement award, which, if excluded, the annual CEO compensation would be \$23 million, and the CEO to median worker pay ratio would be 349:1.

Table 7. Select Large Bank PPP Lending Portfolios

Institution	March 2020-August 2020	January 2021-May 2021	Total
JPM	280,185 loans \$29,352,233,698	158,345 loans \$12,189,061,552	438,530 loans \$41,541,295,250
BofA	343,626 loans \$25,557,615,698	147,548 loans \$8,934,221,969	491,174 loans \$34,491,837,667
Wells Fargo	194,451 loans \$10,597,856,807	87,817 loans \$3,496,896,632	282,268 loans \$21,094,753,439
Citi*	62,038 loans \$3,372,000,000	11,711 loans \$846,000,000	73,749 loans \$4,218,000,000
PNC*	71,880 loans \$12,025,406,000	45,454 loans \$4,322,632,852	117,334 loans \$16,348,038,852
Truist	82,047 loans \$12,631,618,727	37,843 loans \$3,657,551,842	119,890 loans \$16,289,170,569
U.S. Bancorp*	108,365 loans \$7,608,550,070	25,755 loans \$1,433,697,000	134,120 loans \$9,042,247,070

Source: SBA PPP loan reports for August 8, 2020, and May 31, 2021, show the top 15 lenders for PPP.

Notes: Some values for Citibank, PNC, and U.S. Bancorp, were not among the top lenders. For Citi and PNC, year-end Call Reports, which reflect outstanding balances at year-end 2020, were used; for U.S. Bank, year-end 2021 Call Report data was used. Annual reports or other filings were used to fill in other years where PPP data from the SBA did not cover a bank.

Table 8. Net Income (Profit) and Provisions for Credit Losses

Billions of \$

	Net Income (Profit)			Provision for Credit Losses		
	2019	2020	2021	2019	2020	2021
BofA	\$27.4	\$17.9	\$32.0	\$3.6	\$10.7	-\$4.6
Citi	\$19.4	\$11.0	\$22.0	\$8.2	\$15.9	-\$3.8
JPMC	\$36.4	\$29.1	\$48.3	\$5.4	\$16.3	-\$9.3
PNC	\$5.4	\$7.5	\$5.7	\$0.7	\$3.1	-\$0.8
Truist	\$3.2	\$4.5	\$6.4	\$0.6	\$2.3	-\$0.8
U.S. Bancorp	\$6.9	\$5.0	\$8.0	\$1.5	\$3.5	-\$1.2
Wells Fargo	\$19.5	\$3.3	\$21.5	\$2.7	\$13.2	-\$4.1

Source: S&P Capital IQ, *Income Statement (Y-9C)*

Note: Negative provisions for credit losses represent a drawdown of provisions.

Table 9. Tier I Common Equity Risk-Weighted Ratio

	Required (effective 10/1/22)	Actual (as of 6/30/22)
BofA	10.4%	10.5%
Citi	11.5%	11.7%
JPM	12.0%	12.2%
PNC	7.4%	9.6%
Truist	7.0%	9.2%
U.S. Bancorp	7.0%	9.7%
Wells Fargo	9.2%	10.4%

Source: <https://www.federalreserve.gov/publications/files/large-bank-capital-requirements-20220804.pdf>; S&P Capital IQ

Notes: Actual and required reported under standardized capital rule; capital ratio at HC level

Table 10. Leverage Ratio and Supplementary Leverage Ratio (SLR)

2019-2022:Q2

	Leverage Ratio				SLR			
	2019	2020	2021	2022:Q2	2019	2020	2021	2022:Q2
BofA*	7.9%	7.4%	6.4%	6.5%	6.4%	7.2%	5.5%	5.6%
Citi*	8.0%	7.4%	7.2%	7.0%	6.2%	7.0%	5.7%	5.6%
JPM*	7.9%	7.0%	6.5%	6.2%	6.3%	6.9%	5.4%	5.3%
PNC	9.1%	9.5%	8.2%	8.4%	7.6%	9.9%	7.0%	7.2%
Truist	14.7%	9.6%	8.7%	8.6%	n/a	8.7%	7.4%	7.3%
U.S. Bancorp	8.8%	8.3%	8.6%	8.6%	7.0%	7.3%	7.0%	7.1%
Wells Fargo*	8.3%	8.3%	8.3%	8.0%	7.1%	8.1%	6.9%	6.6%

Source: S&P Capital IQ, *Regulatory Capital and Ratios*

Notes: SLR is redefined for 2020; Q2 2022 data is year-to-date.

*subject to eSLR

Table 11. Dividends and Buybacks for Common Stock

as reported in S&P Global, 2021, billions of \$

	Dividends	Buybacks
BofA	\$0	\$25.1
Citi	\$0	\$7.9
JPM	\$12.9*	\$18.4
PNC	\$2.1	\$1.1
Truist	\$2.5	\$1.6
U.S. Bank	\$2.6	\$1.6
Wells Fargo	\$2.4	\$14.5

Source: S&P Capital IQ, *Cash Flow*.

Notes: Buybacks are not netted for new issuance.

*Preferred share buybacks or dividends are not included except for JPM dividends, which does not break out common and preferred share dividends separately.