

Congress of the United States

Washington, DC 20515

February 22, 2024

Jamie Dimon
Chief Executive Officer and President
J.P. Morgan Chase & Co.
270 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

We write with concern regarding reports that J.P. Morgan Chase may be closing customers' bank accounts in a manner that disproportionately affects Muslim Americans and other minority communities. The *New York Times*, after receiving reports from hundreds of consumers, recently reported on major financial institutions shutting down accounts often without warning or recourse as a result of banks' efforts to mitigate suspicious activity.¹ While it is critical that banks comply with anti-money laundering rules, these "de-risking" practices – in which "financial institutions terminate or restrict business relationships indiscriminately with broad categories of customers rather than manage risk associated with the relationship consistent with risk-based supervisory or regulatory requirements"² – harm consumers and threaten equitable access to financial services. We seek information on your de-risking practices and the steps your institution is taking to comply with applicable anti-money laundering, fraud, and anti-terrorism practices while preventing discriminatory account closures and restrictions.

Banks operating in the United States may close checking and credit-card accounts due to concerns about money laundering, fraud, and terrorist activity.³ The Bank Secrecy Act (BSA) requires banks to submit a "suspicious activity report" (SAR) when they observe transactions or conduct that might violate the law, such as unusually large cash transactions or wire transfers with banks from countries deemed "high-risk."⁴ Some banks choose to close customers' accounts if they receive numerous SARs.⁵ Banks generally must keep SARs confidential.⁶ These rules also apply to Money Service Businesses (MSBs) and Non-Profit Organizations (NPOs) with international operations.⁷ Financial institutions are not required to publish data on their account

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² Anti-Money Laundering Act of 2020, Pub. L. No. 116–283, Div. F, Title LXII, Sec. 6215(c)(1), January 1, 2021 ("AMLA").

³ Federal Financial Institutions Examination Council, "BSA/AML Manual," February 27, 2015, <https://bsaaml.ffiec.gov/manual/Introduction/01>; 31 U.S.C. §§ 5318(h)(1), 5318(l)(1), 5318(g)(5).

⁴ *Id.*

⁵ *Id.*

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⁷ U.S. Department of the Treasury, "National Terrorist Financing Risk Assessment," p. 18, February 2024, <https://home.treasury.gov/system/files/136/2024-National-Terrorist-Financing-Risk-Assessment.pdf>.

closures, nor are they required to provide customers with notice or explanation for account closures.⁸

The U.S. Treasury Department explained last year that de-risking “is not consistent with the risk-based approach that is the cornerstone of the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regulatory framework,”⁹ and that it:

[U]ndermines several key U.S. government policy objectives by driving financial activity out of the regulated financial system, hampering remittances, preventing low- and middle-income segments of the population, as well as other underserved communities, from efficiently accessing the financial system, delaying the unencumbered transfer of international development funds and humanitarian and disaster relief, and undermining the centrality of the U.S. financial system.¹⁰

De-risking poses a particularly severe threat for customers from the Muslim American community. Reports indicate that Muslim and Arab, Middle Eastern, and South Asian Americans may be considered “high risk” when sending payments or remittances abroad or donating to charities or religious institutions.¹¹ The economic ramifications extend beyond individual consumers and communities in the United States, as de-risking can also undermine the stability and sustainability of countries dependent on remittances and other aid flows for economic development.¹² Rather than take steps to appropriately manage potential risks, financial institutions instead too often close these customers’ accounts outright – deeming the costs of complying with anti-money laundering rules greater than the revenue they can make from these customers.¹³ One study found that a “quarter of the American Muslim population have faced hurdles while banking in the United States.” Among Muslim Americans who reported facing challenges with financial institutions, 40% were denied opening a new personal account, 33% had a personal account suspended or closed, and 30% were denied having payment sent/received via personal account using PayPal, Venmo, or similar payment apps.¹⁴

De-risking can have devastating impacts on consumers. Individuals may lose access to their assets for weeks, may not be able to pay their bills on time, and may see their credit scores

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¹⁴ ISPU, “Banking While Muslim,” Youssef Chouhoud, March 14, 2023, <https://www.ispu.org/banking-while-muslim/>.

decline.¹⁵ The National Iranian American Council has documented many accounts of these practices, including an Iranian American who had an account “frozen that was to be used for a down payment on a home, despite having sent documentation confirming their citizenship,” and students studying in U.S. universities who had their savings accounts closed without notice or lawful justification.¹⁶ The negative impacts of de-risking also extend beyond Muslim American communities. The Consumer Financial Protection Bureau (CFPB) ordered Citi to pay \$25.9 million in fines and consumer redress for denying the credit card applications of applicants the bank identified as Armenian American.¹⁷ Banks have also restricted or terminated customers’ accounts without notice because of their receipt of international transfers, connection to cannabis businesses, or use of cash deposits.¹⁸

In 2022, we wrote to federal banking regulators to request information on their work to modernize financial crimes and sanctions compliance obligations in order to protect and promote equitable banking access.¹⁹ The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and Department of the Treasury all reiterated their longstanding position that “no customer type presents a single level of uniform risk, or a particular risk profile related to money laundering, terrorist financing, or other illicit financial activity.”²⁰ OCC stated, “a decision to terminate a banking relationship generally resides with the bank,”²¹ suggesting a disavowal of responsibility for the issue.

In addition, Treasury published a strategy on de-risking in April 2023 with recommendations for mitigating the practice. The Department proposed revising the Federal Financial Institution Examination Council (FFIEC) examination manual, recognizing that banks make de-risking decisions based on expectations of how examiners will assess banks’ practices. Treasury also proposed strengthening examiner training on de-risking and suggested that Financial Crimes Enforcement Network (FinCEN) take a bigger role in shaping FFIEC programs and practices.²²

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¹⁶ NIAC Action, “Memo: Ending Discriminatory Bank Account Closures,” July 21, 2022, https://www.niacouncil.org/news_publications/memo-ending-discriminatory-bank-account-closures/.

¹⁷ Reuters, “Citigroup to pay \$25.9 million for targeting Armenian-American card applicants,” Jonathan Stempel and Tatiana Bautzer, November 8, 2023, <https://www.reuters.com/business/finance/citigroup-pay-259-mln-settle-us-discrimination-claims-2023-11-08/>.

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¹⁹ Letter from Senator Elizabeth Warren to the Heads of U.S. Banking Regulators, December 2, 2022, <https://www.warren.senate.gov/imo/media/doc/POC%20Banking%20Discrimination%20FINAL%20Letter%20w.%20signatures.pdf>.

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²² U.S. Department of the Treasury, “AMLA The Department of the Treasury’s De-Risking Strategy,” pg 40-44, April 2023, https://home.treasury.gov/system/files/136/Treasury_AMLA_23_508.pdf.

Treasury also suggested studying banks' account closure practices, with a focus on notice procedures.²³

However, public reports suggest that financial institutions, including your own, have continued to close customers' accounts involuntarily and without basic notice, explanation, or ability to contest the decision. Former account holders from JPMorgan Chase, the nation's largest bank, submitted 200 complaints of account closures to the *Times*.²⁴ Customers reported more than 60 account closures at Wells Fargo between February and June 2023, with affected clients receiving no warning or opportunity to address the closure.²⁵

The lack of information regarding the scope of de-risking practices and the impact on Muslim American consumers and other minority communities hinders policymakers' ability to protect consumers. To better determine how Congress and regulators can best protect ensure equitable access to the banking system, we ask that you provide answers to the following questions no later than March 14, 2024:

1. Please provide the following information regarding your account closure policies.
 - a. Does your institution provide customers with notice prior to closing their accounts on AML/BSA grounds, if a SAR is not filed?
 - i. If so, how do you do so?
 - ii. Does the notice include an explanation of the reason for the involuntary account closure?
 - b. Does your institution provide customers with notice at the time it closes an account on AML/BSA grounds, if a SAR is not filed?
 - i. If so, how do you do so?
 - ii. Does the notice include an explanation of the reason for the involuntary account closure?
 - c. Does your institution allow customers to contest an involuntary account closure decision related to AML/BSA, if a SAR is not filed?
 - i. If so, how can customers contest these closures, and how is information provided to them about their rights to contest a closure?
 - ii. Does your institution proactively provide customers with information as to how they can contest an involuntary account closure decision related to AML/BSA, where a SAR is not filed?
2. Please provide the following information, by year, for the years 2020-2023.
 - a. The number of accounts closed by your bank without the customers' express consent.
 - b. The number of accounts closed by your bank in relation to the filing of a suspicious activity report (SAR).

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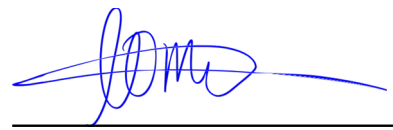
- c. The number of accounts closed by your bank for reasons not related to the filing of a suspicious activity report (SAR), broken down by the reason for the closure.
 - i. For each of the above categories, the number of account closures for which your bank received a customer complaint or dispute.
 - ii. For each of the above categories, the number of accounts that were reopened following the filing of a customer complaint or dispute.
3. Does your institution provide a mechanism by which customers concerned that they may be subject to de-risking can proactively provide documentation regarding the legitimacy of their transaction(s)?
4. Please provide the following information on current regulations and guidance provided by the U.S. financial regulatory agencies.
 - a. Do current regulations impose any requirements on your institution with regard to providing customers with the ability to provide documentation of the legality of a transaction in order to avoid a suspicious activity report or involuntary account closure?
 - b. Do current regulations require your institution to provide notice to customers in the case of an involuntary account closure?
 - c. Do current regulations require your institution to provide customers with a dispute resolution process following an account closure decision?

While we acknowledge that financial institutions must operate within the law and may not discriminate on impermissible grounds, the pattern of account closures raises concerns that require further scrutiny. It is essential that your bank demonstrate its compliance with legal non-discrimination standards and engage in a socially responsible manner to ensure equitable access to banking services. This obligation is particularly pertinent given the disproportionate impact on Muslim Americans, who are more likely to transact with jurisdictions deemed high-risk. As such, there is not only a legal imperative but a social responsibility to work collaboratively with regulators, policymakers, and civil society to address and rectify any inadvertent biases or systemic barriers. We urge your institution to consider these aspects as part of your comprehensive review of these questions. Thank you for your consideration of this important matter, and we look forward to your response.

Sincerely,



Elizabeth Warren
United States Senator



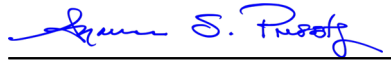
Ilhan Omar
Member of Congress



Rashida Tlaib
Member of Congress



Bernard Sanders
United States Senator



Ayanna Pressley
Member of Congress

Congress of the United States

Washington, DC 20515

February 22, 2024

Brian Moynihan
Chairman of the Board and Chief Executive Officer
Bank of America
100 North Tryon Street
Charlotte, NC 28255

Dear Mr. Moynihan:

We write with concern regarding reports that Bank of America may be closing customers' bank accounts in a manner that disproportionately affects Muslim Americans and other minority communities. The *New York Times*, after receiving reports from hundreds of consumers, recently reported on major financial institutions shutting down accounts often without warning or recourse as a result of banks' efforts to mitigate suspicious activity.¹ While it is critical that banks comply with anti-money laundering rules, these "de-risking" practices – in which "financial institutions terminate or restrict business relationships indiscriminately with broad categories of customers rather than manage risk associated with the relationship consistent with risk-based supervisory or regulatory requirements"² – harm consumers and threaten equitable access to financial services. We seek information on your de-risking practices and the steps your institution is taking to comply with applicable anti-money laundering, fraud, and anti-terrorism practices while preventing discriminatory account closures and restrictions.

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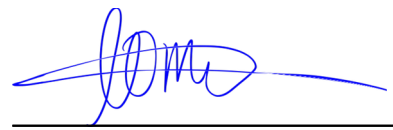
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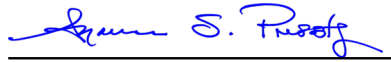
Ilhan Omar
Member of Congress



Rashida Tlaib
Member of Congress



Bernard Sanders
United States Senator



Ayanna Pressley
Member of Congress

Congress of the United States

Washington, DC 20515

February 22, 2024

Charles Scharf
Chief Executive Officer and
President
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94104

Dear Mr. Scharf:

We write with concern regarding reports that Wells Fargo may be closing customers' bank accounts in a manner that disproportionately affects Muslim Americans and other minority communities. The *New York Times*, after receiving reports from hundreds of consumers, recently reported on major financial institutions shutting down accounts often without warning or recourse as a result of banks' efforts to mitigate suspicious activity.¹ While it is critical that banks comply with anti-money laundering rules, these "de-risking" practices – in which "financial institutions terminate or restrict business relationships indiscriminately with broad categories of customers rather than manage risk associated with the relationship consistent with risk-based supervisory or regulatory requirements"² – harm consumers and threaten equitable access to financial services. We seek information on your de-risking practices and the steps your institution is taking to comply with applicable anti-money laundering, fraud, and anti-terrorism practices while preventing discriminatory account closures and restrictions.

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² Anti-Money Laundering Act of 2020, Pub. L. No. 116–283, Div. F, Title LXII, Sec. 6215(c)(1), January 1, 2021 ("AMLA").

³ Federal Financial Institutions Examination Council, "BSA/AML Manual," February 27, 2015, <https://bsaaml.ffiec.gov/manual/Introduction/01>; 31 U.S.C. §§ 5318(h)(1), 5318(l)(1), 5318(g)(5).

⁴ *Id.*

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The U.S. Treasury Department explained last year that de-risking “is not consistent with the risk-based approach that is the cornerstone of the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regulatory framework,”⁹ and that it:

[U]ndermines several key U.S. government policy objectives by driving financial activity out of the regulated financial system, hampering remittances, preventing low- and middle-income segments of the population, as well as other underserved communities, from efficiently accessing the financial system, delaying the unencumbered transfer of international development funds and humanitarian and disaster relief, and undermining the centrality of the U.S. financial system.¹⁰

De-risking poses a particularly severe threat for customers from the Muslim American community. Reports indicate that Muslim and Arab, Middle Eastern, and South Asian Americans may be considered “high risk” when sending payments or remittances abroad or donating to charities or religious institutions.¹¹ The economic ramifications extend beyond individual consumers and communities in the United States, as de-risking can also undermine the stability and sustainability of countries dependent on remittances and other aid flows for economic development.¹² Rather than take steps to appropriately manage potential risks, financial institutions instead too often close these customers’ accounts outright – deeming the costs of complying with anti-money laundering rules greater than the revenue they can make from these customers.¹³ One study found that a “quarter of the American Muslim population have faced hurdles while banking in the United States.” Among Muslim Americans who reported facing challenges with financial institutions, 40% were denied opening a new personal account, 33% had a personal account suspended or closed, and 30% were denied having payment sent/received via personal account using PayPal, Venmo, or similar payment apps.¹⁴

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In 2022, we wrote to federal banking regulators to request information on their work to modernize financial crimes and sanctions compliance obligations in order to protect and promote equitable banking access.¹⁹ The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and Department of the Treasury all reiterated their longstanding position that “no customer type presents a single level of uniform risk, or a particular risk profile related to money laundering, terrorist financing, or other illicit financial activity.”²⁰ OCC stated, “a decision to terminate a banking relationship generally resides with the bank,”²¹ suggesting a disavowal of responsibility for the issue.

In addition, Treasury published a strategy on de-risking in April 2023 with recommendations for mitigating the practice. The Department proposed revising the Federal Financial Institution Examination Council (FFIEC) examination manual, recognizing that banks make de-risking decisions based on expectations of how examiners will assess banks’ practices. Treasury also proposed strengthening examiner training on de-risking and suggested that Financial Crimes Enforcement Network (FinCEN) take a bigger role in shaping FFIEC programs and practices.²²

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²² U.S. Department of the Treasury, “AMLA The Department of the Treasury’s De-Risking Strategy,” pg 40-44, April 2023, https://home.treasury.gov/system/files/136/Treasury_AMLA_23_508.pdf.

Treasury also suggested studying banks' account closure practices, with a focus on notice procedures.²³

However, public reports suggest that financial institutions, including your own, have continued to close customers' accounts involuntarily and without basic notice, explanation, or ability to contest the decision. Former account holders from JPMorgan Chase, the nation's largest bank, submitted 200 complaints of account closures to the *Times*.²⁴ Customers reported more than 60 account closures at Wells Fargo between February and June 2023, with affected clients receiving no warning or opportunity to address the closure.²⁵

The lack of information regarding the scope of de-risking practices and the impact on Muslim American consumers and other minority communities hinders policymakers' ability to protect consumers. To better determine how Congress and regulators can best protect ensure equitable access to the banking system, we ask that you provide answers to the following questions no later than March 14, 2024:

1. Please provide the following information regarding your account closure policies.
 - a. Does your institution provide customers with notice prior to closing their accounts on AML/BSA grounds, if a SAR is not filed?
 - i. If so, how do you do so?
 - ii. Does the notice include an explanation of the reason for the involuntary account closure?
 - b. Does your institution provide customers with notice at the time it closes an account on AML/BSA grounds, if a SAR is not filed?
 - i. If so, how do you do so?
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 - i. If so, how can customers contest these closures, and how is information provided to them about their rights to contest a closure?
 - ii. Does your institution proactively provide customers with information as to how they can contest an involuntary account closure decision related to AML/BSA, where a SAR is not filed?
2. Please provide the following information, by year, for the years 2020-2023.
 - a. The number of accounts closed by your bank without the customers' express consent.
 - b. The number of accounts closed by your bank in relation to the filing of a suspicious activity report (SAR).

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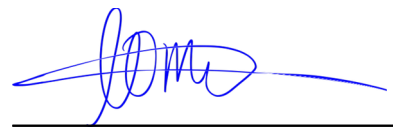
- c. The number of accounts closed by your bank for reasons not related to the filing of a suspicious activity report (SAR), broken down by the reason for the closure.
 - i. For each of the above categories, the number of account closures for which your bank received a customer complaint or dispute.
 - ii. For each of the above categories, the number of accounts that were reopened following the filing of a customer complaint or dispute.
3. Does your institution provide a mechanism by which customers concerned that they may be subject to de-risking can proactively provide documentation regarding the legitimacy of their transaction(s)?
4. Please provide the following information on current regulations and guidance provided by the U.S. financial regulatory agencies.
 - a. Do current regulations impose any requirements on your institution with regard to providing customers with the ability to provide documentation of the legality of a transaction in order to avoid a suspicious activity report or involuntary account closure?
 - b. Do current regulations require your institution to provide notice to customers in the case of an involuntary account closure?
 - c. Do current regulations require your institution to provide customers with a dispute resolution process following an account closure decision?

While we acknowledge that financial institutions must operate within the law and may not discriminate on impermissible grounds, the pattern of account closures raises concerns that require further scrutiny. It is essential that your bank demonstrate its compliance with legal non-discrimination standards and engage in a socially responsible manner to ensure equitable access to banking services. This obligation is particularly pertinent given the disproportionate impact on Muslim Americans, who are more likely to transact with jurisdictions deemed high-risk. As such, there is not only a legal imperative but a social responsibility to work collaboratively with regulators, policymakers, and civil society to address and rectify any inadvertent biases or systemic barriers. We urge your institution to consider these aspects as part of your comprehensive review of these questions. Thank you for your consideration of this important matter, and we look forward to your response.

Sincerely,



Elizabeth Warren
United States Senator



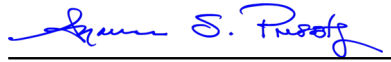
Ilhan Omar
Member of Congress



Rashida Tlaib
Member of Congress



Bernard Sanders
United States Senator



Ayanna Pressley
Member of Congress

Congress of the United States

Washington, DC 20515

February 22, 2024

Jane Fraser
Chief Executive Officer
Citibank
388 Greenwich Street
New York, NY 10013

Dear Ms. Fraser:

We write with concern regarding reports that Citibank may be closing customers' bank accounts in a manner that disproportionately affects Muslim Americans and other minority communities. The *New York Times*, after receiving reports from hundreds of consumers, recently reported on major financial institutions shutting down accounts often without warning or recourse as a result of banks' efforts to mitigate suspicious activity.¹ While it is critical that banks comply with anti-money laundering rules, these "de-risking" practices – in which "financial institutions terminate or restrict business relationships indiscriminately with broad categories of customers rather than manage risk associated with the relationship consistent with risk-based supervisory or regulatory requirements"² – harm consumers and threaten equitable access to financial services. We seek information on your de-risking practices and the steps your institution is taking to comply with applicable anti-money laundering, fraud, and anti-terrorism practices while preventing discriminatory account closures and restrictions.

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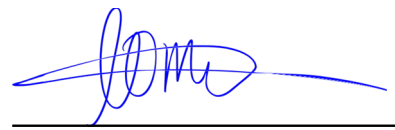
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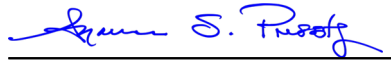
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Ayanna Pressley
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