

United States House of Representatives  
Committee on Financial Services  
Washington, D.C. 20515

October 18, 2016

The Honorable Thomas J. Curry  
Comptroller of the Currency  
Office of the Comptroller of the Currency  
Constitution Center  
400 7th St SW, Suite 3E-218  
Washington D.C. 20219

Dear Comptroller Curry:

It has recently come to my attention that the Office of the Comptroller of the Currency (OCC) has not released a Community Reinvestment Act (CRA) performance evaluation for Wells Fargo Bank, N.A. since 2009.<sup>1</sup> In 2012, the OCC conducted a more recent CRA examination of Wells Fargo, but the OCC has failed to release the results of that examination. I am deeply concerned about this significant delay in the public availability of Wells Fargo's CRA performance and the potential that the bank's 2016 CRA rating—an examination that is currently underway—may actually fail to consider the extensive fair lending and consumer compliance violations that have occurred at Wells Fargo in the intervening seven years since its last public CRA score in 2009, when it was rated “outstanding.”

Since 2009, Wells Fargo has engaged in various fair lending and illegal credit practices, including its most recent wrongdoing related to the opening of deposit and credit card accounts without customers' consent.<sup>2</sup> For example:

- In April of 2016, Wells Fargo agreed to pay \$1.2 billion related to civil fraud claims stemming from its' participation in FHA's Direct Endorsement Lender Program;<sup>3</sup>
- Wells Fargo also agreed to pay a \$3.6 million civil penalty to the Consumer Financial Protection Bureau (CFPB) for charging illegal fees to student loan borrowers;<sup>4</sup>

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<sup>1</sup> Pauline Gonzalez, “OCC Hasn't Issued Wells Fargo's CRA Score in Eight Years,” American Banker, October 4, 2016; <http://www.americanbanker.com/bankthink/occ-hasnt-issued-wells-fargos-cra-score-in-eight-years-1091770-1.html>

<sup>2</sup> Consumer Financial Protection Bureau, “CFPB Fines Wells Fargo \$100 million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts,” available at: <http://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/>

<sup>3</sup> Department of Justice, “Wells Fargo Bank Agrees to Pay \$1.2 Billion for Improper Mortgage Lending Practices”, available at: <https://www.justice.gov/opa/pr/wells-fargo-bank-agrees-pay-12-billion-improper-mortgage-lending-practices>

<sup>4</sup> Consumer Financial Protection Bureau, “CFPB Takes Action Against Wells Fargo for Illegal Student Loan Servicing Practices”, available at: <http://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-wells-fargo-illegal-student-loan-servicing-practices/>

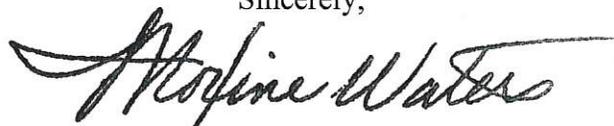
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- Twice in the last two years, Wells Fargo has entered into multi-million dollar settlements for violations of the Servicemembers Civil Relief Act;<sup>5</sup>
- Wells Fargo was a key party to the 2012 National Mortgage Settlement based on its failure to comply with servicing requirements for millions of mortgage customers;<sup>6</sup>
- Wells Fargo entered into a \$184 million settlement related to steering African-American and Hispanic borrowers into subprime mortgages and subjecting them to higher mortgage fees;<sup>7</sup> and
- According to the Los Angeles Times, that same year, Wells Fargo quietly mailed refund checks to another 10,000 homeowners for improperly steering them into FHA mortgages and away from conventional financing.<sup>8</sup>

Yet, despite these very recent and serious abuses of consumers, the OCC has continued to approve transactions and branch expansions for Wells Fargo—as recently as last year—based on the bank’s 2009 CRA rating of outstanding.<sup>9</sup> That is unacceptable.

Neither Congress nor the American public should have to wait seven years for the OCC to release information about Wells Fargo’s performance under CRA. In addition, the ongoing CRA examination of Wells Fargo must fully reflect the bank’s numerous fair lending and consumer compliance violations. Accordingly, please provide the date by which the OCC will publicly release the results of Wells Fargo’s 2012 CRA exam and the expected date of completion and publication of the bank’s 2016 CRA performance examination.

Sincerely,



MAXINE WATERS  
Ranking Member

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<sup>5</sup> Department of Justice, “*Servicemembers to Receive Over \$123 Million for Unlawful Foreclosures Under the Servicemembers Civil Relief Act*”, available at: <https://www.justice.gov/opa/pr/service-members-receive-over-123-million-unlawful-foreclosures-under-servicemembers-civil>; see also- Department of Justice, “*Justice Department Reaches \$4 Million Settlement with Wells Fargo Dealer Services for Illegally Repossessing Servicemembers’ Cars*”, available at: <https://www.justice.gov/opa/pr/justice-department-reaches-4-million-settlement-wells-fargo-dealer-services-illegally>

<sup>6</sup> Department of Justice, “*\$25 Billion Mortgage Servicing Agreement Filed in Federal Court*,” available at: <https://www.justice.gov/opa/pr/25-billion-mortgage-servicing-agreement-filed-federal-court>

<sup>7</sup> <https://www.justice.gov/opa/pr/justice-department-reaches-settlement-wells-fargo-resulting-more-175-million-relief>. It was the second largest fair lending settlement in the department’s history.

<sup>8</sup> E. Scott Reckard, “*Wells Fargo sends refunds to some FHA mortgage customers*”, Los Angeles Times, October 26, 2012. <http://articles.latimes.com/2012/oct/26/business/la-fi-wells-fha-refunds-20121027>

<sup>9</sup>As recently as February 2015, the OCC approved the establishment of a new bank branch in Texas in 2015 and specifically considered Wells Fargo’s 2008 Outstanding rating in its analysis. See Office of the Comptroller of Currency, CRA Decision #165, March 2015; available at: <https://occ.gov/topics/licensing/interpretations-and-actions/2015/crad165.pdf>.