CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

William Allen Ray
CEO
BankPlus
385 Highland Colony Pkwy
Ridgeland, MS 39157

Dear Mr. Ray,

I am writing to request detailed information about BankPlus's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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[1] CNN: Big banks rack up $6.4 billion in ATM and overdraft fees (February 22, 2017), available at http://money.cnn.cotm/2017/02/22/investing/atm-overdraft-fees-rise/index.html
[2] Consumer Financial Protection Bureau: Complaint in the Matter of TCF National Bank (January 19, 2017), available at http://files.consumerfinance.gov/f/documents/201701_cfpb_TCF-National-Bank-complaint.pdf

A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
    c. For new account openings in bank branches or through other in-person interactions, how do consumers opt-in or decline participation in overdraft

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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

   a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
   b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

   a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
   b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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United States Senate

July 17, 2017

Brian Moynihan
CEO
Bank of America
100 North Tryon Street
Charlotte, NC 28255

Dear Mr. Moynihan,

I am writing to request detailed information about Bank of America's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

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    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

    a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
    b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
    b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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United States Senate

July 17, 2017

O.B. Grayson Hall Jr.
CEO
Regions Bank
1900 Fifth Avenue
North Birmingham, Alabama 35203

Dear Mr. Hall,

I am writing to request detailed information about Regions Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
    c. For new account openings in bank branches or through other in-person interactions, how do consumers opt-in or decline participation in overdraft

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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

    a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
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4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
    b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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(202) 224-3224

United States Senate

July 17, 2017

Kelly S. King
CEO
Branch Banking and Trust
BB&T Corporation 200 West Second Street
Winston-Salem, NC 27101

Dear Mr. King,

I am writing to request detailed information about Branch Banking and Trust's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

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    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
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United States Senator

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(202) 224-3224

United States Senate

July 17, 2017

William H. Rogers Jr.
CEO
Sun Trust Bank
303 Peachtree St. NE
Atlanta, GA 30308

Dear Mr. Rogers,

I am writing to request detailed information about Sun Trust Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

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[4] CFPB Study of Overdraft Programs (2013), available at http://files.consumerfinance.gov/f/201306_cfpb_whitepaper_overdraft-practices.pdf

programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

   a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
   b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

   a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
   b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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[5] CFPB Warns Financial Companies About Sales and Production Incentives That May Lead to Fraud or Consumer Abuse (November 28, 2016), available at https://www.consumerfinance.gov/about-us/newsroom/cfpb-warns-financial-companies-about-sales-and-production-incentives-may-lead-fraud-or-consumer-abuse/

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Ms. Cathleen Nash
CEO
Woodforest Bank
P.O. Box 7889
The Woodlands, TX 77387-7889

Dear Ms. Nash,

I am writing to request detailed information about Woodforest Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

[1] CNN: Big banks rack up $6.4 billion in ATM and overdraft fees (February 22, 2017), available at http://money.cnn.cotm/2017/02/22/investing/atm-overdraft-fees-rise/index.html
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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
    c. For new account openings in bank branches or through other in-person interactions, how do consumers opt-in or decline participation in overdraft

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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

   a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
   b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

   a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
   b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Andy Cecere
CEO
U.S. Bank
800 Nicollet Mall
Minneapolis, MN 55402

Dear Mr. Cecere,

I am writing to request detailed information about U.S. Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

   a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
   b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

   a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
   b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
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SUITE SD-359
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(202) 224-3224

United States Senate

July 17, 2017

A. Alfonso Macedo
CEO
Ocean Bank
780 NW 42nd Ave
Miami, FL 33126-5540

Dear Mr. Macedo,

I am writing to request detailed information about Ocean Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
    c. For new account openings in bank branches or through other in-person interactions, how do consumers opt-in or decline participation in overdraft

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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

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4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
    b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Greg Braca
CEO
TD Bank
1701 Route 70
East Cherry Hill, NJ 08034

Dear Mr. Braca,

I am writing to request detailed information about TD Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
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Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Timothy J. Sloan
CEO
Wells Fargo
420 Montgomery Street
San Francisco, CA 94104

Dear Mr. Sloan,

I am writing to request detailed information about Wells Fargo's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
    c. For new account openings in bank branches or through other in-person interactions, how do consumers opt-in or decline participation in overdraft

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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

    a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
    b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
    b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

[5] CFPB Warns Financial Companies About Sales and Production Incentives That May Lead to Fraud or Consumer Abuse (November 28, 2016), available at https://www.consumerfinance.gov/about-us/newsroom/cfpb-warns-financial-companies-about-sales-and-production-incentives-may-lead-fraud-or-consumer-abuse/

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

William S. Demchak
CEO
PNC Bank
300 Fifth Avenue the Tower at PNC Plaza
Pittsburgh, PA 15222

Dear Mr. Demchak,

I am writing to request detailed information about PNC Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

    a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
    b. Were any branch managers evaluated or given bonuses based on the number or percentage of accountholders that opted into overdraft programs in 2014, 2015, or 2016?

4. **Alternatives to Overdraft Penalties.** Many banks claim that overdraft "protection" allow their customers to meet short-term emergencies, but the costs of overdraft, as measured in an annual percentage rate, can hit triple digits, sometimes exceeding the rates of payday loans and auto-title loans.

    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
    b. Does your institution offer a small-dollar credit product that is generally available to account holders who are eligible for overdraft protection products? Please provide any relevant product descriptions and marketing materials.

Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Mr. Edwin W. Hortman Jr.
CEO
Ameris Bank
24 Second Avenue SE
Moultrie, GA 31768

Dear Mr. Hortman Jr,

I am writing to request detailed information about Ameris Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

I'm also worried that these practices are undermining trust in our nation's banks, leading many consumers to abandon banks altogether after seeing their savings drained by fees.

As you know, Federal law and regulation requires that financial institutions obtain affirmative consent before enrolling consumers in any overdraft programs. In other words, consumers must "opt-in." However, investigations by the Consumer Financial Protection Bureau (CFPB) have uncovered illegal practices that are used to drive up participation. For example, in its complaint against TCF Bank,[2] the CFPB found that the bank coached its employees to obscure overdraft disclosures and then planted the opt-in agreement among other mandatory items that the consumer has to agree to as part of the account opening process.

TCF also provided strong incentives to ensure its employees hit overdraft opt-in targets. The investigation found that branch managers could earn up to $7,000 in bonuses for achieving high opt-in rates. Just as we saw recently in the recent Wells Fargo case, many employees worried that they could lose their jobs if they did not hit these sales targets.

These overdraft strategies were so successful that 66 percent of customers had opted in – triple the average rate of TCF's peers. The chief executive officer of the bank even named his boat the "Overdraft."

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A 2014 study by Pew found that across all banks, more than half of the people who overdrew their checking accounts and paid a fee in the past year could not recall consenting to the overdraft service.[3] Millions of Americans are getting pummeled by these fees, which can create a treadmill where consumers cannot keep up. Research from the CFPB and the Federal Deposit Insurance Corporation suggest that just 8 percent of accountholders account for 75 percent of all overdraft fees charged.[4]

Further, some banks have been caught manipulating transactions to maximize fees. Rather than processing transactions as they occur, a bank will re-order a consumer's debit card activity throughout the day from highest to lowest, triggering more fees and draining customer bank accounts.

To better understand your financial institution's practices, we kindly ask that you respond by August 11th to the following questions:

1. **Dependence on Overdraft Fees.** Consumer banking has traditionally relied on revenue from mortgage, credit card, auto, and small business lending. However, many banks are increasingly dependent on overdraft and non-sufficient funds (NSF) fees to maintain and increase profitability.

    a. How much revenue did your institution generate from overdraft and NSF fees in 2014, 2015, and 2016?
    b. What was the proportion of overdraft and NSF fee revenues to all other revenues at your institution in 2014, 2015, and 2016?
    c. Has your Board of Directors ever set or reviewed targets for increasing revenue from overdraft and NSF fees? If so, please provide all appropriate directives, reports, meeting minutes, or other relevant documentation.

2. **Consent and Transparency.** Analysis from the CFPB found that opt-in rates vary significantly by financial institution. Few consumers are aware that banks re-order debit card transactions.

    a. For new account openings, how many consumers opted in to overdraft programs? How many declined or have not opted in? Please provide annual data for 2014, 2015, and 2016.
    b. For new account openings opened online, how do consumers opt-in or decline participation in overdraft programs? Please provide any appropriate screenshots that describe fees and policies, as well as how a consumer opts in or declines.
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programs? Please provide forms and disclosures provided to consumers, as well as any relevant employee training materials and scripts.

d. Does your institution engage in non-sequential debit card transaction processing? If so, did your institution previously process transactions sequentially? When was the policy changed?

3. **Employee Incentives to Increase Overdraft Fees.** In the wake of the Wells Fargo fake accounts scandal, the CFPB offered additional guidance warning financial institutions about incentives that pressure employees to increase sales through abusive or deceptive practices.[5]

    a. Were any executives or senior managers evaluated or given bonuses based on the number or percentage of accountholders that opted in to overdraft programs in 2014, 2015, or 2016? If so, please provide their titles.
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    a. Did the management and board of your institution formally review the results of the FDIC's Small-Dollar Lending pilot?[6] Please provide any relevant documentation.
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Thank you for your attention to this important matter, and for helping ensure that customers make informed decisions relating to their financial health.

Sincerely,

Cory A. Booker
United States Senator

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CORY A. BOOKER
NEW JERSEY

SUITE SD-359
DIRKSEN BUILDING
WASHINGTON, DC 20510-3007
(202) 224-3224

United States Senate

July 17, 2017

Jamie Dimon
CEO
Chase Bank
270 Park Avenue
New York City, NY 10017

Dear Mr. Dimon,

I am writing to request detailed information about Chase Bank's practices with respect to overdraft fees.

According to recent analysis, last year three of the largest financial institutions in the country collected over $5 billion in overdraft fees.[1] I'm concerned that too many of our nation's banks are increasingly driven to accumulate these fees, rather than pursue a business model that serves their communities, and are adopting certain practices to drive participation in so-called "overdraft protection" programs.

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