

United States Senate

WASHINGTON, DC 20510

August 8, 2024

Jamie Dimon
CEO and President
JPMorgan Chase & Co.
270 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

We write with concern regarding JPMorgan Chase’s threat to impose new checking account fees for over 80 million consumers in response to the Consumer Financial Protection Bureau’s (CFPB’s) rule to cap overdraft fees.¹ Last month, a company executive warned the bank’s customers that JPMorgan would impose “broad, sweeping and significant” new costs and that “[t]he people who will be most impacted are the ones who can least afford to be.”² JPMorgan Chase’s potential imposition of new costs on its customers in response to legal and long-overdue efforts to limit abusive fees—at a time when the then bank is making record profits and funneling those profits straight into the pockets of its executives³—is outrageous. JPMorgan Chase should put a hold on any plans to levy additional charges on working Americans.

Overdraft fees are “one of the most common exploitative mechanisms big banks use to target the poor.”⁴ The CFPB found that these fees harm the most vulnerable consumers, with 9% of consumers paying nearly 80% of all combined overdraft and non-sufficient fund fees.⁵ Given the overwhelming evidence revealing banks’ abuse of overdraft fees, the CFPB proposed a rule in January to rein in excessive fees, closing an outdated loophole that has “allowed the largest banks to transform overdrafts into a massive junk fee harvesting machine.”⁶ This rule would

¹ Wall Street Journal, “JPMorgan Warns Customers: Prepare to Pay for Checking Accounts,” Alexander Saeedy, July 5, 2024, <https://www.wsj.com/finance/regulation/jpmorgan-financial-regulations-charge-customers-d86ca9e4>.

² *Id.*

³ JPMorgan Chase “JPMorgan Chase Plans Dividend Increase and Has Authorized a New Common Share Repurchase Program,” press release, June 2024, <https://www.jpmorganchase.com/ir/news/2024/jpmc-plans-dividend-increase-and-has-authorized-a-new-common-share-repurchase-program#:~:text=The%20Firm's%20Board%20of%20Directors,%2C%20effective%20July%201%2C%202024>.

⁴ Insider, “Predatory banks rake in billions of dollars in overdraft fees from their poorest customers every year. The Consumer Financial Protection Bureau is trying to put a stop to it,” Paul Constant, December 11, 2021, <https://www.businessinsider.com/how-predatory-banks-rake-billions-overdraft-fees-against-poorest-users-2021-12>.

⁵ Consumer Financial Protection Bureau, “CFPB Unveils Prototypes of “Know Before You Owe,” Overdraft Disclosure Designed to Make Costs and Risks Easier to Understand,” August 4, 2017, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-unveils-prototypes-know-you-owe-overdraft-disclosure-designed-make-costs-and-risks-easier-understand/>.

⁶ Consumer Financial Protection Bureau, “CFPB Proposes Rule to Close Bank Overdraft Loophole that Costs Americans Billions Each Year in Junk Fees,” January 17, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-close-bank-overdraft-loophole-that-costs-americans-billions-each-year-in-junk-fees/>.

require very large financial institutions to treat overdraft loans like credit cards and other loans, and the charges would be capped, either to the amount necessary for a bank to cover its losses or to level no higher than a federal benchmark.⁷

JPMorgan Chase is the industry leader when it comes to usurious overdraft fees, collecting \$1.1 billion in overdraft revenue last year alone.⁸ Major banks like JPMorgan Chase use these overdraft fees that disproportionately hurt low-income Americans to inflate their already substantial earnings: 2023 was JPMorgan Chase's most profitable year in history, raking in \$49.6 billion, setting a new record for the American banking industry.⁹ The company has also begun funneling \$30 billion to its wealthy investors by way of a massive stock buyback program.¹⁰ This recent cash bleed is the cherry on top of its recent history of \$2 billion in buybacks per quarter.¹¹ There is no justification whatsoever for imposing new fees on working families when your bank is hugely profitable.

Given our concerns about JPMorgan Chase's threat to impose new and unjustified expenses on the backs of its customers, we ask that you provide answers to the following questions by August 28, 2024:

1. JPMorgan Chase collected \$1.1 billion last year in overdraft fees.¹² How much does the bank estimate it would collect under the new CFPB rule?
2. Using 2023 estimates,¹³ if JPMorgan collected no overdraft fees – its profits would be reduced by 2%, from \$49.6 billion to \$48.5 billion. Would a 2% cut in profits justify imposing broad new fees on your customers? What specific new fees has the bank considered imposing on customers if the CFPB rule is finalized?
 - a. Will the bank make efforts to protect its low- and middle-income customers from these fees, and if so, how?

⁷ *Id.*

⁸ CNBC, "Big Banks have drastically cut overdraft fees, but customers still paid \$2.2 billion last year," Hugh Son and Gabriel Cortes, Friday, February 9, 2024, <https://www.cnbc.com/2024/02/09/jpmorgan-chase-wells-fargo-cut-overdraft-revenue-to-2-billion-in-2023.html#:~:text=Recent%20regulatory%20filings%20show%20that,27%25%20decline%20to%20%24937%20million>.

⁹ Bloomberg, "JPMorgan Just Made More Annual Profit Than Any US Bank Ever," Max Abelson and Hannah Levitt, January 12, 2024, <https://www.bloomberg.com/news/articles/2024-01-12/jpmorgan-just-made-more-annual-profit-than-any-us-bank-ever>.

¹⁰ JPMorgan Chase, "JPMorgan Plans Dividend Increase and Has Authorized a New Common Share Repurchase Program," press release, June 28, 2024, <https://www.jpmorganchase.com/ir/news/2024/jpmc-plans-dividend-increase-and-has-authorized-a-new-common-share-repurchase-program>.

¹¹ Barrons, "Dimon's Comments Are a Rarity; JPMorgan Will Limit Buybacks at Higher Prices," Andrew Bary, May 20, 2024, <https://www.barrons.com/articles/dimons-jpm-limit-buybacks-a6a69298>.

¹² CNBC, "Big Banks have drastically cut overdraft fees, but customers still paid \$2.2 billion last year," Hugh Son and Gabriel Cortes, Friday, February 9, 2024, <https://www.cnbc.com/2024/02/09/jpmorgan-chase-wells-fargo-cut-overdraft-revenue-to-2-billion-in-2023.html#:~:text=Recent%20regulatory%20filings%20show%20that,27%25%20decline%20to%20%24937%20million>.

¹³ Bloomberg, "JPMorgan Just Made More Annual Profit Than Any US Bank Ever," Max Abelson and Hannah Levitt, January 12, 2024, <https://www.bloomberg.com/news/articles/2024-01-12/jpmorgan-just-made-more-annual-profit-than-any-us-bank-ever>.

3. Will JPMorgan Chase reduce its stock buybacks instead of imposing new fees on its customers?
4. Will JPMorgan Chase reduce executive pay instead of imposing new fees on its customers?

Sincerely,



Elizabeth Warren
United States Senator



Chris Van Hollen
United States Senator