

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

March 27, 2020

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue NW
Washington, D.C. 20551

Dear Chairman Powell:

On March 21, 2020, *Financial Times* reported that Wells Fargo & Company (“Wells Fargo”) “made a pitch to the Federal Reserve to remove an asset cap introduced in the wake of its fake accounts scandal, saying it would allow the US bank to extend support to businesses and customers hit by the economic fallout of the coronavirus pandemic.”¹ As you know, pursuant to its February 2018 consent order, the Federal Reserve restricted Wells Fargo’s growth until the firm develops and implements—and a third party independently evaluates—the governance and internal control improvements specified in the order.² The U.S. House Committee on Financial Services’ (“Committee”) ongoing oversight activities have revealed that Wells Fargo has yet to fully satisfy the requirements of the Federal Reserve’s February 2018 consent order.³

Pursuant to its legislative and oversight authority under House Rule X, 116th Congress, the Committee must know more about whether Wells Fargo requested that the Federal Reserve remove the asset cap and, if so, the Federal Reserve’s consideration of any such request.

To facilitate the Committee’s understanding of this matter, I request that you make your staff available to provide Committee staff a detailed, bipartisan briefing that includes relevant confidential supervisory information. I ask that your staff schedule the requested briefing for Committee staff within seven days of receipt of this letter.

¹ See Laura Noonan and Stephen Morris, *Wells Fargo asks Fed to lift cap on growth in wake of virus crisis*, FINANCIAL TIMES (Mar. 21, 2020), <https://www.ft.com/content/af0c45a8-6afa-11ea-800d-da70cff6e4d3>.

² Federal Reserve, *In the Matter of Wells Fargo & Company*, Order to Cease and Desist Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as Amended, No. 18-007-B-HC (Feb. 2, 2018), available at <https://www.federalreserve.gov/newsreleases/pressreleases/files/enf20180202a1.pdf>.

³ See, e.g., Report Prepared by the Majority Staff of the Committee on Financial Services, U.S. House of Representatives, *The Real Wells Fargo: Board & Management Failures, Consumer Abuses, and Ineffective Regulatory Oversight* (Mar. 2020) available at https://financialservices.house.gov/uploadedfiles/wells_fargo_staff_report_final_mm.pdf

Please direct any questions regarding this request to Bruce Johnson of the Committee staff at (202) 225-4247.

Sincerely,

A handwritten signature in black ink that reads "Maxine Waters". The signature is fluid and cursive, with "Maxine" on the top line and "Waters" on the bottom line.

Maxine Waters
Chairwoman

cc: The Honorable Patrick McHenry, Ranking Member