Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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January 26, 2018

Mr. Brian T. Moynihan
Chairman and Chief Executive Officer
Bank of America
100 North Tryon St.
Charlotte, NC 28255

Dear Mr. Moynihan:

We are writing to request information about Bank of America's decision to terminate consumer bank accounts that charge no monthly fees within just weeks of receiving one of the most massive financial windfalls in history as part of the Republican tax legislation enacted in December.

According to an assessment prepared by Goldman Sachs, eight of the largest banks in the United States will receive a total of $15.3 billion in tax benefits next year as a result of the passage H.R. 1, the Tax Cuts and Jobs Act. Of those eight financial institutions, Bank of America reportedly stands to reap one of the largest windfalls—$3.5 billion in tax savings in 2018 alone.[1]

Within just few weeks of this legislation becoming law, the *Wall Street Journal* reported on January 22, 2018, that "Bank of America Corp. has eliminated a free checking account popular with some lower-income customers, requiring them to keep more money at the bank to avoid a monthly fee." According to the article, these accounts "had no monthly fee so long as customers didn't use a bank teller for routine transactions and agreed to receive their statements online."[2]

It is difficult to understand why one of America's largest banks would end a program that many low-income American families rely on just weeks after benefitting from one of the largest tax cuts in American history. Surely, your corporation could have devoted at least a fraction of these massive savings to maintaining existing programs that help low-income families move towards financial security and independence rather than forcing them to turn to alternative

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[1] *How the White House and Wells Fargo Are Trying to Manipulate You, In One Chart*, ThinkProgress (Dec. 21, 2017) (online at thinkprogress.org/goldman-report-tax-plan-759ec84f8eee/).

[2] *Bank of America: No More Free Checking for Customers With Low Balances*, Wall Street Journal (Jan. 22, 2018) (online at www.wsj.com/articles/bankofamerica-no-more-free-checking-for-customers-with-low-balances-1516625715).

financial services providers.[3]

We strongly urge you to reconsider your decision to end this program and instead consider the exact opposite approach—expanding your no-fee products and other programs to help low-income American families. One of the Republican talking points for the tax bill was that massive financial benefits would "trickle down" to the less fortunate among us, but we have seen just the opposite in this case.

For the reasons set forth above, we request a briefing from Bank of America officials on this matter, and we also request that you provide the following documents and information by February 9, 2018:

(1)   the number of individuals enrolled in no-fee accounts on the date Bank of America ended the program;

(2)   the annual cost to Bank of America of providing no-fee accounts through this program;

(3)   any analyses regarding the costs of providing no-fee accounts or the amount of savings estimated with the termination of these accounts; and

(4)   any analyses regarding the financial effects of the Tax Cuts and Jobs Act on Bank of America's revenues, expenditures, and profits, as compared to tax law prior to the Act's enactment.

If you have any questions relating to this request, please contact Todd Phillips at (202) 225-5051. Thank you for your consideration of my request.

Sincerely,

Elijah E. Cummings
Ranking Member

Jimmy Gomez
Member

cc: The Honorable Trey Gowdy,
Chairman

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[3] *See, e.g.,* Brookings Institution, *Banking the Poor: Policies to Bring Low-Income Americans Into the Financial Mainstream*, at 3 (Sept. 2004) (online at www.brookings.edu/wp-content/uploads/2016/06/20041001_Banking.pdf).