United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510–6075

July 8, 2026

Jane Fraser
Chief Executive Officer
Citigroup
388 Greenwich Street
New York, NY 10013

Dear Ms. Fraser:

I write regarding reports that Citigroup (Citi), the third largest bank in the United States, may expand its $2.6 trillion financial empire through a major acquisition.[1] Given Citi's size, complexity, and compliance record, it is unlikely that such an acquisition would be lawful under the Bank Merger Act and Bank Holding Company Act. Instead, such an acquisition would likely exacerbate the existing risks that Citi poses to consumers and the stability of the U.S. financial system. I urge the company to cease any discussions regarding expansion and instead consider selling off business lines to shrink its size and simplify its organizational structure. In addition, I request detailed information to better understand the bank's acquisition strategy.

In late March 2026, Bloomberg reported that senior leaders at Citi "have held preliminary discussions in recent months about trying to acquire a major US regional lender to dramatically ramp up deposits."[2] According to those reports, Citi's executives believe that it is "likely that they could win a nod from regulators and complete a major transaction,"[3] in light of the Trump Administration's recent willingness to approve large mergers – including those that are likely illegal, such as the Capital One-Discover merger,[4] which created the largest credit card company in the U.S. The banking regulators have reportedly affirmed this view and "signaled an openness to considering a concrete proposal."[5] It is unclear, however, whether the bank has concrete plans

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[1] Bloomberg, "Citi Eyes Regional Bank Deal as Fraser Turns to Next Chapter," Todd Gillespie, Matthew Monks, Lydia Beyoud, and Dinesh Nair, March 27, 2026, https://www.bloomberg.com/news/articles/2026-03-27/citi-eyes-regional-bank-deal-as-fraser-gears-up-for-next-chapter.
[2] *Id.*
[3] *Id*.
[4] Letter from Ranking Member Warren to Assistant Attorney General Slater, May 13, 2025, https://www.banking.senate.gov/imo/media/doc/Warren%20letter%20to%20AAG%20Slater%20on%20CapOne%20Merger%5b1%5d.pdf; Letter from Ranking Members Elizabeth Warren and Maxine Waters to Secretary of the Board of Governors of the Federal Reserve Ann Misback, May 1, 2025, https://democrats-financialservices.house.gov/uploadedfiles/05.02.2025_ww_ltr_misback_capone.pdf.
[5] Bloomberg, "Citi Eyes Regional Bank Deal as Fraser Turns to Next Chapter," Todd Gillespie, Matthew Monks, Lydia Beyoud, and Dinesh Nair, March 27, 2026, https://www.bloomberg.com/news/articles/2026-03-27/citi-eyes-regional-bank-deal-as-fraser-gears-up-for-next-chapter.

to move forward with any acquisitions: in April 2026, you downplayed the possibility of an impending acquisition, stating, "[w]e are only interested in and focused on organic growth."[6]

Given Citi's size, complexity, and compliance record, it is inconceivable that an acquisition of the type reported would pass legal muster under the Bank Merger Act and Bank Holding Company Act. A transaction would likely violate at least three statutory factors that regulators must consider when reviewing an acquisition. First, regulators must consider the risk posed by the transaction to the stability of the U.S. banking system.[7] Citi's last merger spree in the late 1990s and early 2000s posed a severe threat to U.S. financial stability. Between 1995 and 2007, Citi grew from $559 billion in assets to $2.1 trillion.[8] This expansive growth stemmed, in part, from Citi's outsized role in originating, securitizing, and distributing subprime mortgages. After its risk-taking blew up during the 2008 financial crisis, and when the U.S. economy was on the brink of collapse, Citi received $476.2 billion in taxpayer-funded bailouts – more than any of its other peers on Wall Street.[9] Citi was not materially broken up after the crisis and is currently categorized as a Global Systemically Important Bank. It is the third largest bank in the United States with more than $2.7 trillion in total assets.[10] Further growth through mergers and acquisitions would almost certainly exacerbate Citi's systemic riskiness and increase threats to financial stability.[11]

Second, regulators must consider the managerial resources of the existing and proposed institutions. The acquiring firm must be capable of operating the resulting bank in a safe and sound manner, and effectively implement any post-merger integration plans. Citi's previous track record, and recent conduct, shows it does not satisfy this statutory factor. After its pre-crisis merger spree, Citi failed to adequately invest in the integration of the patchwork technical infrastructure it had inherited from all of the acquisitions. For example, Citi's payment software system was so confusing that it reportedly "almost encouraged bank personnel to make huge mistakes" and contributed to one of the "biggest blunders in banking history" in August 2020 when Citi mistakenly wired $900 million to the creditors of the makeup company Revlon, instead of a small interest payment.[12] In response, the Office of the Comptroller of the Currency

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[6] Banking Dive, "Citi, Wells, PNC CEOs dismiss M&A likelihood," April 15, 2026, Catilin Mullen, https://www.bankingdive.com/news/citi-wells-pnc-bank-deals-acquisition-earnings/817563/.

[7] 12 U.S.C. 1828(c); 12 USC 1842(c); 12 USC 1843(j).

[8] Citigroup Inc. Form 10-k, https://content.edgar-online.com/ExternalLink/EDGAR/0001005477-00-002089.html?hash=10d3010ae9e5f97e8bfbe571f9f97953cba88228680456b651e124b40d976f0f; Citi, "Annual Report, 2008, https://www.citigroup.com/rcs/citigpa/storage/public/ar08c_en.pdf.

[9] Congressional Research Service, "Troubled Asset Relief Program (TARP): Implementation and Status," Baird Webel, August 21, 2014, https://www.congress.gov/crs-product/R41427; CNBC, "Citigroup Tops List of Banks Who Received Federal Aid," Eamon Javers, March 16, 2011, https://www.cnbc.com/2011/03/16/citigroup-tops-list-of-banks-who-received-federal-aid.html.

[10] Federal Financial Institutions Examination Council, "Large Holding Companies," Reporting date March 31, 2026, https://www.ffiec.gov/npw/Institution/TopHoldings.

[11] Federal Deposit Insurance Corporation, "Are Bank Mergers Bad for Financial Stability," Jeffrey Jou, Teng Wang, and Jeffrey Zhang, September 1, 2024, http://www.fdic.gov/media/168151.

[12] Business Insider, "Inside Citigroup's $900 million error - one of the biggest blunders in banking history," Dakin Campbell and Yoonji Han, February 20, 2021, https://www.businessinsider.com/citibank-revlon-loan-900-million-mistake-payment-how-it-happened-2021-2; Forbes, "Citibank's Billion-Dollar Mistake And How It Turned Out Two Years Later," Joshua Stein, September 12, 2022, https://www.forbes.com/sites/joshuastein/2022/09/12/citibanks-billion-dollar-mistake-and-how-it-turned-out-two-years-later/..

(OCC) issued an enforcement action against Citi for its severe deficiencies in enterprise-wide risk management, compliance risk management, data governance, and internal controls. The OCC fined the bank $400 million.[13] In July 2024, the OCC and Federal Reserve found that Citi had failed to make sufficient progress in addressing these issues and slapped an additional $135.6 million penalty on the bank.[14] The OCC also imposed restrictions on Citi's ability to distribute dividends.[15] Citi is clearly unable to safely manage its sprawling financial empire as it stands today, and any acquisition would exacerbate these risks.

Finally, regulators must consider whether the transaction would benefit the public, including by meeting the convenience and needs of the community. A transaction would be inconsistent with this statutory factor as well. Citi's sprawling financial empire has led to continued consumer harm. In 2023, for example, Citi violated the *Equal Credit Opportunity Act*, by discriminating against Armenian American credit card applicants.[16] It was fined more than $24 million by the Consumer Financial Protection Bureau (CFPB) and ordered to implement a compliance management system to prevent future violations.[17] In 2016, the CFPB also took two actions against Citi, for illegal debt sales and debt collection practices, ordering Citi to pay nearly $5 million in consumer relief and a $3 million penalty.[18] It is not clear that a transaction would have any public benefits, while it could lead to an even more unmanageable conglomerate that inflicts consumer harm.

Given my concerns, I request that Citi answer the following questions by July 22, 2026. In addition, I urge Citi to cease any ongoing discussions about expansion and, instead, consider selling off business lines to shrink its size and simplify its organizational structure.

1. In response to reports about Citi's plans "to acquire a major US regional lender," you stated, "We are not interested in anything other than organic growth." Is Citi currently considering acquiring one or more U.S. regional lenders? If so, which? If not, can you confirm that Citi will not consider such acquisitions in the near future?

2. Have any Citi executives, employees, or representatives had conversations with federal regulators about a potential acquisition?
    a. If so, which executives, employees, or representatives?
    b. If so, which federal regulators? Please list all federal officials with whom they have communicated about this topic, and include dates of such communications.

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[13] Office of the Comptroller of the Currency, "OCC Assesses $400 Million Civil Money Penalty Against Citibank," press release, October 7, 2020, https://www.occ.gov/news-issuances/news-releases/2020/nr-occ-2020-132.html.
[14] PBS News, "Federal regulators fine Citigroup $136 million for taking too long to fix internal control issues," Ken Sweet, Associated Press, July 10, 2024, https://www.pbs.org/newshour/economy/federal-regulators-fine-citigroup-136-million-for-taking-too-long-to-fix-internal-control-issues..
[15] *Id.*
[16] AP News, "Citigroup discriminated against Armenian Americans, federal regulator says; bank fined $25.9 million," Ken Sweet, November 8, 2023, https://apnews.com/article/citi-citigroup-cfpb-armenia-armenianamericans-606c86b08f8f571b643f0edd12137f6b.
[17] Consumer Financial Protection Bureau, "Citibank, N.A.," November 8, 2023, https://www.consumerfinance.gov/enforcement/actions/citibank-n-a/.
[18] Consumer Financial Protection Bureau, "Citibank, N.A.," February 23, 2016, https://www.consumerfinance.gov/enforcement/actions/citibank/

Provide a summary of these discussions, as well as all texts, emails, and contemporaneous notes related to them.

3. Have any Citi executives, employees, or representatives had any conversations with other financial institutions about a potential acquisition?
    a. If so, which executives, employees, or representatives?
    b. If so, please list all financial institutions with whom they have communicated about this topic, and include dates of such communications. Provide a summary of these discussions, as well as all texts, emails, and contemporaneous notes related to them.

Sincerely,

Elizabeth Warren

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs