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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 7, 2022

Mr. James Dimon
Chairman and Chief Executive Officer
JPMorgan Chase & Co.
207 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

We are deeply troubled by recent reports that JPMorgan Chase (“Chase”) – the nation’s largest bank with over \$3.2 trillion in assets – has renewed its predatory practice of robo-signing purported evidence of credit card debt to sue customers during the pandemic.¹ We were concerned to hear that this practice has resumed after the January 1, 2020 expiration of Chase’s consent order with the Consumer Financial Protection Bureau (“CFPB” or Bureau). We request that Chase provide detailed information regarding the bank’s credit card debt collection practices. Chase should not utilize robo-signing in pursuing these debt collection suits, or any other debt.

At the height of the robo-signing scandal following the 2008 financial crisis, the CFPB found that Chase wrongfully sued thousands of customers for debt they did not owe. As you know, “robo-signing” is the practice where important documents are reviewed and signed by individuals with little to no knowledge about the case and proper procedures are not followed. From 2009 to 2013, the CFPB estimated that the error rate in robo-signing cases in which Chase obtained a judgement against consumers reached approximately 9 percent.² In 2015, the CFPB issued a consent order prohibiting Chase from engaging in robo-signing and certain debt collections practices that were in violation of the Consumer Financial Protection Act.³ The consent order established that Chase’s practices harmed consumers by “subject[ing] certain consumers to collections activity for accounts that were not theirs, in amounts that were incorrect or uncollectable.”⁴ Robo-signing enabled Chase to obtain judgments and collect from consumers

¹ <https://www.propublica.org/article/a-return-to-robo-signing-jpmorgan-chase-has-unleashed-a-lawsuit-blitz-on-credit-card-customers>

² https://files.consumerfinance.gov/f/201507_cfpb_consent-order-chase-bank-usa-na-and-chase-bankcard-services-inc.pdf

³ https://files.consumerfinance.gov/f/201507_cfpb_consent-order-chase-bank-usa-na-and-chase-bankcard-services-inc.pdf

⁴ *Id.* at 2.

based on “documents that were falsely sworn and that at times contained inaccurate amounts.”⁵ The purpose of the consent order was “to ensure [Chase] do[es] not revive these practices.”⁶

Chase has stated that it “quality-check[s] 100%,” of the affidavits used in the credit card suits.⁷ We respectfully request that Chase substantiate this statement because a failure to properly check this information can lead to wage garnishment and direct bank withdrawals for debts consumers do not owe. Not only does this practice result in wage garnishing and taking money directly out of customers’ accounts for wrongful debts, these collections negatively impact consumers’ credit scores through credit reporting, making it more difficult for those consumers to obtain jobs, housing, and affordable credit—all due to Chase’s mistakes. The potential resumption of this practice could affect tens of millions of American families who rely on Chase for financial services.

To better understand Chase’s credit card collection practices, please provide the following information regarding the review processes:

1. Has Chase resumed the practice of robo-signing?
2. If so, does Chase believe that this practice is consistent with the CFPB’s consent order?
3. How many employees of Chase are dedicated to reviewing customer files to decide whether to pursue a lawsuit collecting on debt?
4. How many supervisory employees review decisions to submit a lawsuit?
5. How many employees are tasked with substantiating the action via the drafting and signing of an affidavit?
 - a. Do these employees have personal knowledge of the case?
 - b. What particular elements of a customer’s file are utilized in drafting the affidavit?
 - c. How much time does a staff member utilize to review a customer’s file and draft the affidavit to submit in support of a collections action?
6. How does Chase quality check the affidavits used in debt collection suits against credit card consumers?

Please provide the following information regarding Chase’s credit card collections:

1. What types of hardship policies did Chase have in place in 2020 and 2021?
2. Did Chase affirmatively tell every customer about its hardship policy and any opportunity to put collection on hold for those impacted by the pandemic?
 - a. If yes, how were these policies and opportunities communicated to customers?
3. How did Chase select people to sue during a pandemic? How did it screen out those with financial hardship as a result of the pandemic?
4. There is extensive evidence about racial disparities in debt collection and the disparate impact of the pandemic on black and Hispanic communities. How does Chase ensure that its collection activity and collection lawsuits do not create racial disparities?

⁵ *Id.*

⁶ *Id.*

⁷ <https://www.propublica.org/article/a-return-to-robo-signing-jpmorgan-chase-has-unleashed-a-lawsuit-blitz-on-credit-card-customers>

5. How many lawsuits did Chase file against its credit card customers in 2019, 2020, and 2021?
 - b. How many lawsuits ended in a default judgement?
 - c. In how many lawsuits were defendants representing themselves, and what were those outcomes?
6. In jurisdictions with higher standards of judicial review, what number of cases were rejected on evidentiary grounds? Please provide this information on a state-by-state basis.

We request a response to these questions by February 21, 2022. Thank you for your prompt attention to this inquiry.

Sincerely,



SHERROD BROWN
U.S. Senator



ROBERT MENENDEZ
U.S. Senator



TINA SMITH
U.S. Senator



ELIZABETH WARREN
U.S. Senator



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