

SHERROD BROWN, OHIO, CHAIRMAN  
TIM SCOTT, SOUTH CAROLINA, RANKING MEMBER

JACK REED, RHODE ISLAND  
ROBERT MENENDEZ, NEW JERSEY  
JON TESTER, MONTANA  
MARK WARNER, VIRGINIA  
ELIZABETH WARREN, MASSACHUSETTS  
CHRIS VAN HOLLEN, MARYLAND  
CATHERINE CORTEZ MASTO, NEVADA  
TINA SMITH, MINNESOTA  
KYRSTEN SINEMA, ARIZONA  
RAPHAEL WARNOCK, GEORGIA  
JOHN FETTERMAN, PENNSYLVANIA

MIKE CRAPO, IDAHO  
MIKE ROUNDS, SOUTH DAKOTA  
THOM TILLIS, NORTH CAROLINA  
JOHN KENNEDY, LOUISIANA  
BILL HAGERTY, TENNESSEE  
CYNTHIA LUMMIS, WYOMING  
J.D. VANCE, OHIO  
KATIE BRITT, ALABAMA  
KEVIN CRAMER, NORTH DAKOTA  
STEVE DAINES, MONTANA

LAURA SWANSON, STAFF DIRECTOR  
LILA NIEVES-LEE, REPUBLICAN STAFF DIRECTOR

## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

Mr. Jeromee Johnson  
President and Chief Technology Officer  
Tellus App, Inc.  
21580 Stevens Creek Boulevard Ste 210  
Cupertino, CA 95014

Dear Mr. Johnson,

I write to request information about Tellus App, Inc.'s (Tellus) business model, risk assessments, and marketing practices. Recent reporting raises several red flags about Tellus's business practices and potential risks to customers.<sup>1</sup>

Tellus offers customers interest rates which are significantly higher than those offered by traditional banks. While this may be attractive to customers, Tellus's business model may rely heavily on unadvertised risky investments, such as loans to real estate speculators and distressed borrowers, which could leave Tellus customers vulnerable to losses or without access to their money. Tellus claims to provide residential loans "to borrowers in some of the country's most stable real estate markets."<sup>2</sup> According to recent reporting, however, Tellus lends primarily in the San Francisco Bay Area—a region where property values have been declining. This downswing may pose increased risks to your users if Tellus borrowers default on their loans.

Although Tellus states that it is not a bank, I am concerned that your institution's practice of marketing high-interest accounts to fund real estate loans may give consumers the false impression that their money is as safe as a deposit at an FDIC-insured bank. Additionally, Tellus has reportedly touted partnerships with FDIC-insured banks, specifically JPMorgan Chase and Wells Fargo. Troublingly, upon further review, it does not appear that these banking relationships exist.

In light of these concerns, we request that you provide responses to the following questions by May 16, 2023:

1. Describe with specificity the services your institution provides to customers.
2. Describe your policies and procedures for protecting customer funds in the event your institution becomes insolvent or goes bankrupt.

---

<sup>1</sup> Barron's, [This Start-Up Promises Rates 13 Times Higher Than a Typical Savings Account. There's One Problem: It Isn't a Bank.](#) (April 11, 2023)

<sup>2</sup> Tellus, [How It Works](#)

3. Describe Tellus's risk assessment model when determining who to extend real estate loans to. Please include your assessment of the risks posed by the current property value decline in the San Francisco Bay Area.
4. In the past, Tellus claimed to have partnerships with JPMorgan Chase and Wells Fargo. Did these partnerships exist in the past, and if so, do they still exist? If these partnerships no longer exist, describe the actions your institution has taken to update customers about the change.
5. What measures does your institution take to communicate with customers to ensure they understand that their accounts with Tellus are not FDIC-insured? Please explain.

Thank you for your attention and prompt response to these questions.

Sincerely,



Sherrod Brown  
Chairman