

Bureau of Consumer Financial Protection  
1700 G Street NW  
Washington, D.C. 20552



April 5, 2019

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Elizabeth Warren  
United States Senate  
317 Hart Senate Office Building  
Washington, D.C. 20510

Dear Ranking Member Brown and Senator Warren,

Thank you for your letter of March 22, 2019 regarding Wells Fargo Bank, N.A.'s compliance with the April 2018 consent order it entered into with the Consumer Financial Protection Bureau (Bureau).

As you know, on April 20, 2018, the Bureau announced a settlement with Wells Fargo, in a coordinated action with the Office of the Comptroller of the Currency (OCC), finding that the Bank violated the Consumer Financial Protection Act (CFPA) in the way that it administered a mandatory insurance program related to auto loans the Bank originated or acquired.<sup>1</sup> As a result of this illegal behavior, the Bureau assessed a \$1 billion penalty against Wells Fargo, crediting the \$500 million penalty collected by the OCC. In addition, the Bureau required Wells Fargo to provide remediation, including restitution, to harmed consumers and undertake certain activities to improve its risk management and compliance management.

Your letter asks specifically about the requirement that Wells Fargo provide restitution to harmed consumers, including the Bank's submission of a required remediation plan. I can tell

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<sup>1</sup> The Bureau also found that Wells Fargo violated the CFPA in how it charged certain borrowers for mortgage interest rate-lock extensions.

you that while the Bureau is working with Wells Fargo to ensure its compliance with the consent order, I am not satisfied with the Bank's progress to date and have instructed staff to take all appropriate actions to ensure the Bank complies with the consent order and Federal consumer financial law.

Your letter also asks whether the Bureau has considered imposing civil monetary penalties on Wells Fargo as a result of its efforts to remediate harmed consumers and what factors the Bureau considers in making such a decision. Broadly speaking, I consider all options on the table for enforcing Bureau consent orders, and the CFPB details the factors the Bureau should consider in determining the amount of any civil penalty for a violation of Federal consumer financial law.<sup>2</sup> It is also important in dealing with complex issues involving large institutions such as Wells Fargo that the Bureau consults with our regulatory partners in determining appropriate next steps. More specific information regarding the Bureau's deliberations in this matter implicates longstanding Executive Branch confidentiality interests that protect the government's deliberative process and law enforcement proceedings.

Should you have any questions about this response, please do not hesitate to contact me or have your staff contact Steven Bressler in the Bureau's Legal Division or Matthew Pippin in the Bureau's Office of Legislative Affairs. Mr. Bressler can be reached at (202) 435-7248 and Mr. Pippin can be reached at (202) 435-7552.

Sincerely,



Kathleen L. Kraninger  
Director

cc: The Honorable Joseph M. Otting, Comptroller of the Currency

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<sup>2</sup> See 12 U.S.C. § 5565(c).