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November 2, 2022

Mr. Brian Moynihan
Chief Executive Officer
Bank of America Corporation
100 North Tryon Street
Charlotte, NC 28255

Dear Mr. Moynihan:

I write to inquire about the very low interest rates that Bank of America is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, Bank of America has been able to make giant profits from lending to its customers. Last quarter your bank collected more than $13.8 billion in interest from mortgages and other loans, up 24% from the year before. This figure is net of the interest that Bank of America paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, telling investors on the most recent earnings call that overall revenue growth was "driven by net interest income increases," which, in turn, was "driven by benefits from higher interest rates."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. Bank of America has benefited from higher interest rates by *charging* customers much more for mortgages, credit cards, and other loans, without *paying* customers higher rates on their deposits. One year ago, a new Bank of America customer received 0.01% on an ordinary savings account, while paying 2.80% on a 30-year fixed-rate mortgage and 13% to 24% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 6.90% on a mortgage and 15% to 27% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

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

Dear Ms. Fraser:

I write to inquire about the very low interest rates that Citi is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, Citi has been able to make giant profits from lending to its customers. Last quarter your bank collected more than $12 billion in interest from mortgages and other loans, up 18% from the year before. This figure is net of the interest that Citi paid to depositors. Your Chief Financial Officer has recognized that the Federal Reserve's actions offer your bank an opportunity to profit, stating on the most recent earnings call that net interest income growth was "driven by the impact of higher interest rates across the firm."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. Citi has benefited from higher interest rates by charging customers much more for mortgages, credit cards, and other loans, without paying customers higher rates on their deposits. One year ago, a new Citi customer received 0.04% on an ordinary savings account, while paying 3.125% on a 30-year fixed-rate mortgage and 14% to 24% on a credit card. Now, that same new customer would receive only 0.05% on a savings account, but pay 6.875% on a mortgage and 17% to 27% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have barely budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock

up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

Mr. Jamie Dimon
Chief Executive Officer
JPMorgan Chase & Co.
383 Madison Avenue
New York, NY 10017

Dear Mr. Dimon:

I write to inquire about the very low interest rates that JPMorgan is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, JPMorgan has been able to make giant profits from lending to its customers. Last quarter your bank collected more than $17.6 billion in interest from mortgages and other loans, up 34% from the year before. This figure is net of the interest that JPMorgan paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, telling investors on the most recent earnings call that higher total revenues were "driven by higher net interest income," which, in turn, was "driven by higher rates."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. JPMorgan has benefited from higher interest rates by charging customers much more for mortgages, credit cards, and other loans, without paying customers higher rates on their deposits. One year ago, a new JPMorgan customer received 0.01% on an ordinary savings account, while paying 3.03% on a 30-year fixed-rate mortgage and 15% to 24% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 6.98% on a mortgage and 18% to 27% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock

up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

Mr. William S. Demchak
Chief Executive Officer
The PNC Financial Services Group, Inc.
300 Fifth Avenue
Pittsburgh, PA 15222

Dear Mr. Demchak:

I write to inquire about the very low interest rates that PNC is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, PNC has been able to make giant profits from lending to its customers. Last quarter your bank collected approximately $3.5 billion in interest from mortgages and other loans, up 22% from the year before. This figure is net of the interest that PNC paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, noting in the most recent earnings release that higher total revenues were "primarily due to higher net interest income," which, in turn, was "driven by higher yields on interest-earning assets."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. PNC has benefited from higher interest rates by charging customers much more for mortgages, credit cards, and other loans, without paying customers higher rates on their deposits. One year ago, a new PNC customer received 0.01% on an ordinary savings account, while paying 3.08% on a 30-year fixed-rate mortgage and 11% to 25% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 6.92% on a mortgage and 14% to 28% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

Mr. William H. Rogers, Jr.
Chief Executive Officer
Truist Financial Corporation
214 North Tryon Street
Charlotte, NC 28202

Dear Mr. Rogers:

I write to inquire about the very low interest rates that Truist is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, Truist has been able to make giant profits from lending to its customers. Last quarter your bank collected approximately $3.8 billion in interest from mortgages and other loans, up 16% from the year before. This figure is net of the interest that Truist paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, telling investors on the most recent earnings call that net interest income growth was "due primarily to higher market interest rates." On the same call, your Chief Financial Officer predicted that net interest income would continue to rise through the rest of the year "due to benefits from the recent rate hikes and a projected 75 basis point hike in November."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. Truist has benefited from higher interest rates by charging customers much more for mortgages, credit cards, and other loans, without paying customers higher rates on their deposits. One year ago, a new Truist customer received 0.01% on an ordinary savings account, while paying 6.125% on a 30-year fixed-rate mortgage and 11% to 22% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 7.470% on a mortgage and 14% to 25% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

Mr. Andy Cecere
Chief Executive Officer
U.S. Bancorp
800 Nicollet Mall
Minneapolis, MN 55402

Dear Mr. Cecere:

I write to inquire about the very low interest rates that U.S. Bank is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, U.S. Bank has been able to make giant profits from lending to its customers. Last quarter your bank collected approximately $3.9 billion in interest from mortgages and other loans, up 21% from the year before. This figure is net of the interest that U.S. Bank paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, telling investors in the most recent quarter's earnings release that these results were "supported by . . . the benefit of higher interest rates."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. U.S. Bank has benefited from higher interest rates by charging customers much more for mortgages, credit cards, and other loans, without paying customers higher rates on their deposits. One year ago, a new U.S. Bank customer received 0.01% on an ordinary savings account, while paying 3.319% on a 30-year fixed-rate mortgage and 14% to 24% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 6.934% on a mortgage and 17% to 27% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock

up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator

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November 2, 2022

Mr. Charles W. Scharf
Chief Executive Officer
Wells Fargo & Co.
420 Montgomery Street
San Francisco, CA 94104

Dear Mr. Scharf:

I write to inquire about the very low interest rates that Wells Fargo is paying its customers on their savings accounts.

Earlier today, the Federal Reserve raised its interest rate target to 4%. With higher interest rates, Wells Fargo has been able to make giant profits from lending to its customers. Last quarter your bank collected more than $12 billion in interest from mortgages and other loans, up 36% from the year before. This figure is net of the interest that Wells Fargo paid to depositors. You have recognized that the Federal Reserve's actions offer your bank an opportunity to profit, telling investors on the most recent earnings call that you see "the positive impacts of rising interest rates driving strong net interest income growth" and that your bank "is positioned well as we will continue to benefit from higher rates."

Normally, one would expect savers also to be well-positioned to take advantage of higher interest rates. But that does not seem to be the case for depositors at the biggest banks. Wells Fargo has benefited from higher interest rates by *charging* customers much more for mortgages, credit cards, and other loans, without *paying* customers higher rates on their deposits. One year ago, a new Wells Fargo customer received 0.01% on an ordinary savings account, while paying 3.34% on a 30-year fixed-rate mortgage and 13% to 25% on a credit card. Now, that same new customer would still receive 0.01% on a savings account, but pay 7.08% on a mortgage and 16% to 28% on a credit card.

In response to my questions at a Senate Banking Committee hearing in September 2022, you and the CEOs of the nation's other largest banks all said that you expect to raise deposit rates as the Federal Reserve continues to raise interest rates. The banking industry's own research has suggested that deposit rates would start rising once the Federal Reserve's interest rate target reached 1.33%. The Federal Reserve's target is approaching three times that level. Several other large banks do, in fact, offer savings accounts that pay their depositors 2.25% to 3.0%. And yet, deposit rates at your bank have not budged.

While average consumers have seen virtually no increase in deposit rates, your bank offers higher-yielding longer-term deposit products to well-off customers who can afford to lock up tens or hundreds of thousands of dollars for more than a year. But these deposit products are out of reach for many Americans who cannot afford them, and they are no substitute for savings accounts that give customers access to their money on demand to pay for rent or utilities.

Soaring interest rates are hitting Americans hard. Customers are paying more and more for loans. It appears the biggest banks are exploiting the higher interest rate environment to benefit their executives and shareholders, not the ordinary Americans whose deposits provide the funding necessary for those banks to operate. Savers would be better off if the biggest banks offered deposit rates that even modestly resembled the Federal Reserve's target rate.

In light of these concerns, please provide an explanation, by November 23, 2022, of why your bank still pays the same very low interest rates on deposits even as it makes giant profits by charging borrowers higher interest rates on loans.

I appreciate your attention to this important matter.

Sincerely,

Jack Reed
United States Senator