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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
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September 20, 2016

The Honorable Maria Contreras-Sweet
Administrator
U.S. Small Business Administration
409 Third Street, SW, Suite 7000
Washington, DC 20416

Dear Administrator Contreras-Sweet,

I am writing you to request information related to the Small Business Administration's (SBA) enforcement actions against Wells Fargo.

As you are aware, the Consumer Financial Protection Bureau (CFPB), in conjunction with the Office of the Comptroller of the Currency (OCC) and the Los Angeles City Attorney (LACA), recently levied a series of substantial penalties and fines against Wells Fargo, the nation's third largest bank and SBA's largest participating lender, for fraudulent consumer banking activity by its employees. This included the unauthorized opening of deposit or credit card accounts, a failure to apprise customers these accounts had been opened, the transfer of funds from authorized, existing accounts to unauthorized accounts as a means to meet internal quotas set by the bank's management, and the imposition of unwanted fees and other negative financial consequences related to these accounts.

I am very concerned by the claims made by regulators with regards to Wells Fargo's banking practices, and this concern extends to their activities in the business lending sector. As SBA's largest lender, Wells Fargo has nearly 21,000 active loans totaling \$7.14 billion, all guaranteed by the federal government. In light of the recent regulatory actions and settlements against it, and reports that Wells Fargo employees would sometimes use consumer information to open new accounts under fictitious business names, I request that you provide me with any information as to enforcement actions taken against Wells Fargo since 2011, including any informal actions undertaken by the SBA's Lender Oversight Board; further, I request that you investigate Wells Fargo's activities as a 7(a) lender to ensure that they are not defrauding the American taxpayer.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I have a responsibility to ensure that small business owners are duly assisted in their efforts to start and maintain their businesses, and thank for your help in carrying out that duty. I look forward to your response by September 30, 2016. If you have any questions, feel free to contact Devon Redfield at (202) 224-5175.

Sincerely,

David Vitter

David Vitter
Chairman