



ADVISORY NEIGHBORHOOD COMMISSION 3C
GOVERNMENT OF THE DISTRICT OF COLUMBIA
CATHEDRAL HEIGHTS • CLEVELAND PARK
MASSACHUSETTS AVENUE HEIGHTS • MCLEAN GARDENS
WOODLAND-NORMANSTONE • WOODLEY PARK

Single Member District Commissioners
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04- Beau Finley; 05- Emma Hersh; 06- Angela Bradbery
07- Maureen Kinlan Boucher; 08- Malia N. Brink; 09- Nancy MacWood

P.O. Box 4966
Washington, DC 20008
Website <http://www.anc3c.org>
Email all@anc3c.org

ANC 3C Resolution 2017-025
**Resolution in Support of “Sense of the Council Urging Reassessment of
Relationship with Wells Fargo Resolution of 2017”**

WHEREAS, Wells Fargo & Company is an American international banking and financial services holding company headquartered in San Francisco, California; and

WHEREAS, Wells Fargo was recently fined \$185 million for employing high-pressure sales tactics, deceiving its customers, and fraudulently collecting fees on unauthorized accounts opened for existing customers without the customers’ knowledge or consent¹ for at least 3.5 million unauthorized accounts;² and

WHEREAS, U.S. Department of Justice found Wells Fargo to have targeted African-American and Hispanic borrowers for risky subprime mortgages and charged them higher fees than other borrowers because of their race or national origin, rather than objective criteria related to borrower risk, and agreed to pay more than \$175 million in relief to homeowners to settle those claims earlier this year;³ and

WHEREAS, Wells Fargo agreed to pay \$1.2 billion to settle a civil mortgage lawsuit claim with the Federal Housing Administration (FHA) for faulty mortgage loans that contributed to the 2008 housing crash;⁴ and

WHEREAS, Wells Fargo agreed to pay \$35.5 million to settle a class action lawsuit earlier this year alleging the bank engaged in an ongoing nationwide pattern and practice of race discrimination against its own employees;⁵ and

¹ *Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts*, Press Release, United States Consumer Financial Protection Bureau (Sept. 8, 2016), <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/>.

² Laura J. Keller, *Wells Fargo Boosts Fake-Account Estimate 67% to 3.5 Million*, Bloomberg (Aug. 31, 2017), <https://www.bloomberg.com/news/articles/2017-08-31/wells-fargo-increases-fake-account-estimate-67-to-3-5-million>.

³ *Justice Department Reaches Settlement with Wells Fargo Resulting in More Than \$175 Million in Relief for Homeowners to Resolve Fair Lending Claims*, Press Release, United States Department of Justice (July 12, 2012), <https://www.justice.gov/opa/pr/justice-department-reaches-settlement-wells-fargo-resulting-more-175-million-relief>.

⁴ *Wells Fargo Bank Agrees to Pay \$1.2 Billion for Improper Mortgage Lending Practices*, Press Release, United States Department of Justice (Apr. 8, 2016), <https://www.justice.gov/opa/pr/wells-fargo-bank-agrees-pay-12-billion-improper-mortgage-lending-practices>.

⁵ Noah Buhayar, Zeke Faux, and Kartikay Mehrotra, *Wells Fargo Settles With Brokers Over Claims of Racial Bias*, Bloomberg (Dec. 30, 2016), <https://www.bloomberg.com/news/articles/2016-12-30/wells-fargo-settles-with-brokers-over-allegations-of-racial-bias>.

WHEREAS, Wells Fargo currently faces a federal lawsuit alleging it illegally denied student loans to young immigrants because of their citizenship status, despite those individuals being protected from deportation and legally allowed to work and study in the U.S.;⁶ and

WHEREAS, Wells Fargo requires forced arbitration clauses that require customers to relinquish rights to pursue claims against Wells Fargo in court;⁷ and

WHEREAS, Wells Fargo settled for \$80 million with 570,000 auto loan customers after adding those customers involuntarily to Wells Fargo auto insurance policies, which--after failing to pay the insurance premiums that they were unaware of--caused almost 20,000 customers to lose their cars to repossession;⁸

WHEREAS, Wells Fargo was fined \$24 million by regulators for overcharging active duty military servicemen, including improper seizures of soldiers' vehicles;⁹ and

WHEREAS, Wells Fargo has directly invested in the Potomac, Keystone XL, and Dakota Access Pipelines¹⁰ and stands to profit from projects that threaten the water supplies of the metropolitan D.C. area, the Standing Rock Sioux Tribe, and countless other communities, farms, sensitive natural areas and wildlife habitats through which they pass; is accused of violating multiple environmental and historic preservation statutes; is routed through sacred burial sites; and hampers efforts to transition to renewable energy sources by locking in an anticipated capacity of 570,000 barrels of fracked crude oil per day - a total that emits the equivalent annual carbon emissions of 29.5 U.S. coal plants or 21.4 million cars;¹¹ and

WHEREAS, Wells Fargo was one of the only major international banking and financial services holding companies to not advocate for upholding the Paris climate Agreement;¹² and

WHEREAS, Wells Fargo recently received a grade of "needs to improve" on its Community Reinvestment Act (CRA) exam as reviewed by the Office of the Comptroller of the Currency due

⁶ *Lawsuit accuses Wells Fargo of denying student loans to young immigrants*, Los Angeles Times (Jan. 30, 2017), <http://www.latimes.com/business/la-fi-wells-fargo-daca-20170130-story.html>.

⁷ Patrick Rucker and Dan Freed, *Senators grill Wells Fargo CEO over scandal, forced arbitration*, Reuters (Oct. 3, 2017), <https://www.reuters.com/article/us-wells-fargo-accounts-senate/senators-grill-wells-fargo-ceo-over-scandal-forced-arbitration-idUSKCN1C80B2>.

⁸ Laurence Darmiento, *Wells Fargo hit with class-action lawsuit over auto insurance charges*, Los Angeles Times (July 31, 2017), <http://www.latimes.com/business/la-fi-wells-insurance-lawsuit-20170731-story.html>.

⁹ *Consent Order for a Civil Money Penalty*, Order, United States Office of the Comptroller of the Currency, 2016-082 (2016), <https://www.occ.gov/static/enforcement-actions/ea2016-082.pdf>. See also *Justice Department Reaches \$4 Million Settlement with Wells Fargo Dealer Services for Illegally Repossessing Service-members' Cars*, Press Release, United States Department of Justice (Sept. 29, 2016), <https://www.justice.gov/opa/pr/justice-department-reaches-4-million-settlement-wells-fargo-dealer-services-illegally>.

¹⁰ Alison Kirsch, *Who's Bankrolling TransCanada?*, The Understory (Mar. 24, 2017), https://www.ran.org/whos_banking_transcanada.

¹¹ Lome Stockman, *The Dakota Access Pipeline will lock-in the emissions of 30 coal plants*, PriceofOil.org (Sept. 12 2016), <http://priceofoil.org/2016/09/12/the-dakota-access-pipeline-will-lock-in-the-emissions-of-30-coal-plants/>.

¹² Alexander Kaufman and Ben Walsh, *Wells Fargo Refused To Criticize Trump On Climate Because the Bank Is Already Hated*, Huffington Post (June 2, 2017), http://www.huffingtonpost.com/entry/wells-fargo-paris-agreement_us_59317651e4b075bff0f2aa0e.html.

to “an extensive and pervasive pattern and practice of discriminatory and illegal credit practices across multiple lines of business within the bank, resulting in significant harm to large numbers of consumers”;¹³ and

WHEREAS, the District of Columbia Code § 26-431.06(f) states, “to apply for a deposit services contract with the District government, a financial institution must receive at least a ‘satisfactory’ rating on its most recent CRA exam;” and

WHEREAS, in light of the investigations, settlements and allegations against Wells Fargo, multiple cities and organizations across the country, including Seattle, Washington (divested \$3 billion),¹⁴ Davis, California (divested \$124 million),¹⁵ Santa Barbara, California (divested \$40 million)¹⁶ and the University of California system (divested \$475 million)¹⁷ have officially moved to divest from Wells Fargo & Company; and

WHEREAS, Wells Fargo serves as the District of Columbia’s bank of record and the trustee of the District’s general obligation direct purchase bonds; and

WHEREAS, Wells Fargo is in the third year of a five-year contract with the District of Columbia; and cash & treasury management services, including payroll management, up to \$12,408,397;¹⁸ and \$2B portfolio for investments, effective Feb. 1, 2017¹⁹; Wells Fargo is the trustee of DC’s General Obligation Direct Purchase Bonds (total ~\$400K issued Nov. 2016);²⁰ and

WHEREAS, that it is a priority for the District of Columbia to partner with business entities and financial institutions that are committed to engaging in responsible business practices and supporting the values of District citizens, ANC 3C and the city at-large; and that the District of Columbia should consider moving its money held by Wells Fargo to responsible institutions that

¹³ *Community Reinvestment Act Performance Evaluation*, United States Office of the Comptroller of the Currency (2012), <https://www.occ.gov/static/cra/craeval/apr17/1.pdf>.

¹⁴ Lynda V. Mapes, *Seattle City Council votes to cut ties with Wells Fargo over Dakota Access Pipeline lending*, Seattle Times (Feb. 7, 2017), <http://www.seattletimes.com/seattle-news/environment/seattle-city-council-to-vote-on-pulling-billions-from-wells-fargo/>.

¹⁵ Felicia Alvarez, *City of Davis votes to divest from Wells Fargo Bank*, Davis Enterprise (Feb. 8, 2017), <http://www.davisenterprise.com/local-news/city-of-davis-votes-to-divest-from-wells-fargo-bank/>.

¹⁶ *Santa Barbara Votes to Divest from Banks Funding Dakota Access Pipeline*, Press Release, SB Standing Rock Coalition (updated Sept. 21, 2017), available at <http://lastrealindians.com/10505-2/> (last visited Nov. 12, 2017).

¹⁷ Catherine Feliciano, *UC to terminate \$450M in contracts with Wells Fargo*, Daily Bruin (Feb. 1, 2017), <http://dailybruin.com/2017/02/01/uc-to-terminate-450m-in-contracts-with-wells-fargo/>.

¹⁸ *Comprehensive Banking Services*, Contract Award, Office of the Chief Financial Officer (Dec. 16, 2010), available at <https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGMuZ292fG9jZm8tcHJvY3VyZW1lbnRzfGd4OjZmOWRjZDM5ZWJmNmEyM2Y> (last visited Nov. 12, 2017).

¹⁹ Letter from Drakus Wiggins, Contracting Officer, Office of Contracts, Office of the Chief Financial Officer, to Dave Ryder, Senior Vice President, Wells Fargo (Jan. 18, 2017), available at <https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGMuZ292fG9jZm8tcHJvY3VyZW1lbnRzfGd4OjZmOWRjZDM5ZWJmNmEyM2Y> (last visited Nov. 12, 2017).

²⁰ Annual Report, Office of Chief Financial Officer (2016), <https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/FY%202016%20DC%20CAFR.pdf>.

are socially & environmentally responsible in their general practices and community development goals;

THEREFORE BE IT RESOLVED that ANC 3C:

URGES the Council of the District of Columbia to pass the resolution entitled *Sense of the Council Urging Reassessment of Relationship with Wells Fargo Resolution of 2017*²¹ through the Committee on Finance and Revenue;

BE IT FURTHER RESOLVED, that ANC 3C calls on the District of Columbia Department of Insurance, Securities and Banking (DISB) to research financial institutions with the capacity to serve DC government's banking needs and to detail the financial institutions' investment portfolios, including their investments in the District and their provision of banking services in all 8 wards and to recommend, in consultation with the OCFO, how DC government banking needs could be met by socially responsible financial institution(s);

BE IT RESOLVED that the Chair and Commissioner for ANC3C04, or their designees, are authorized to represent the Commission regarding this resolution.

Attested by



Nancy J. MacWood
Chair, on November 13, 2017

This resolution was approved by a voice vote on November 13, 2017 at a scheduled and noticed public meeting of ANC 3C at which a quorum (a minimum of 5 of 9 commissioners) was present.

²¹ *Sense of the Council Urging Reassessment with Wells Fargo Resolution of 2017*, Proposed Resolution, Council of the District of Columbia (2017), <http://lims.dccouncil.us/Download/37692/PR22-0188-Introduction.pdf>.