

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

October 5, 2016

The Honorable Maria Contreras-Sweet
Administrator
Small Business Administration
409 3rd Street, S.W.
Washington DC 20416

Dear Administrator Contreras-Sweet:

The Committee on Small Business has been closely following the news regarding Wells Fargo's recent Consent Order with the Consumer Financial Protection Bureau regarding "improper sales practices" performed by bank employees, as well as settlements with the Office of the Comptroller of the Currency and the Los Angeles City Attorney. As you are aware, Wells Fargo employees were found to have created over two million deposit and credit card accounts to meet sales quotas, transferred funds from existing customers accounts into those accounts, and then charged those customers fees based on the fraudulent accounts.

The Committee is concerned about the impact these improper sales practices may have had on small businesses and small business owners who have accounts at Wells Fargo. We are especially concerned given Wells Fargo participation as a lending partner within the Small Business Administration's (SBA) 7(a) Loan and the CDC/504 Programs. Accordingly, the Committee sent a letter to the CEO of Wells Fargo, Mr. John Stumpf, requesting information about how the improper sales practices of bank employees have impacted their business accounts, as well as their participation in SBA lending programs.

The Committee is committed to ensuring that small businesses are given the opportunity to grow and thrive through access to capital. Part of this goal is ensuring that the SBA programs are properly administered and protected against fraudulent activity, and we are eager to work with SBA to this end. As we await response from Wells Fargo, we request that you provide the Committee any information regarding Wells Fargo's participation in SBA programs. Specifically we ask:

1. What is the extent of the involvement of Wells Fargo in SBA's 7(a) Program in terms of number of active loans and dollar amounts?
2. What is the extent of the involvement of Wells Fargo in SBA's CDC/504 Program in terms of number of active loans, dollar amounts, and status as a Central Servicing Agent?

3. Does Wells Fargo participate in any other SBA Program? If so, which, and what is the extent of the involvement?
4. Has SBA received any complaints from participants in SBA programs regarding Wells Fargo? If so, what were the subjects of those complaints?
5. Has Wells Fargo been subject of any SBA investigations or disciplinary actions in the past five years? If so, please describe.
6. Has SBA taken any actions, including informal reviews, of Wells Fargo's participation in SBA programs in light of recent reports, and does the SBA plan to take any future action to ensure its programs are not susceptible to the types of fraudulent and abusive activities taken by Wells Fargo employees?

Please provide your responses no later than October 19, 2016 to Gregory Robinson, Counsel to the Committee on Small Business (greg.robinson@mail.house.gov).

We look forward to continuing to work with you on this important issue moving forward.

Sincerely,



Steve Chabot
Chairman