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August 26, 2020

Ms. Tammy L. Whitcomb  
Inspector General  
United States Postal Service  
1735 N. Lynn Street  
Arlington, VA 22209

Dear Ms. Whitcomb:

On behalf of community banks across the country, with more than 52,000 locations, I write today to urge you to exercise your authority to investigate a [reported](#) exclusive agreement between the United States Postal Service (USPS) and JPMorgan Chase for the provision of banking services through the postal branch network. Equitable access to basic banking services must be discussed and addressed by policymakers and the entire financial services industry – not in a vacuum between an independent government agency and a single, privileged financial institution. JPMorgan is a Wall Street bank with a record of abusive and discriminatory consumer practices. In recent years, it has been fined billions of dollars for mistreatment of consumers. Notably, in 2017 the bank paid \$53 million to settle federal allegations that it charged African-American and Hispanic mortgage borrowers higher rates than white customers. Partnership with such an institution is not a solution that should be entertained without transparency.

Any exclusive arrangement, negotiated behind closed doors, to allow a profit-driven entity to leverage the USPS branch network is a formula for corruption and should be a serious concern to all Americans who care about the integrity of our public institutions. If USPS is considering creating exclusive access to their network, it should do so through a transparent and fully competitive process. **Specifically, the agency should issue a request for proposal (RFP) in accordance with any applicable provisions of the Federal Acquisition Regulation and in coordination with the General Service Administration.**

If the goal of this proposal is to expand access to banking services for the unbanked population, the postal branch network does not have sufficient reach into low income, high unemployment communities or minority communities. In fact, the nation's 52,000 community bank locations have greater penetration into these communities, and any initiative to reduce the unbanked population should leverage the existing network of community bank branches. A JPMorgan-USPS exclusive arrangement would threaten communities by drawing

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deposits away from them. Community banks reinvest deposits back into the communities from which they are drawn. Deposits in JPMorgan, by contrast, through postal locations in rural America or elsewhere would be lost to the communities from which they are drawn and invested in other, more profitable markets.

For these reasons, we urge you not to allow the JPMorgan-USPS proposal to advance any further without appropriate scrutiny from your office. We urge you to ensure USPS acts with transparency and in open competition to safeguard the integrity of its branch network. USPS must not compromise taxpayers to extend the reach of a Wall Street megabank at the expense of American communities and without adequately addressing the problem of the unbanked.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC:

The Honorable Lewis DeJoy, United States Postmaster General  
The Honorable Mike Crapo, Chairman, Senate Committee on Banking  
The Honorable Sherrod Brown, Ranking Member, Senate Committee on Banking  
The Honorable Maxine Waters, Chairwoman, House Committee on Financial Services  
The Honorable Patrick McHenry, Ranking Member, House Committee on Financial Services  
The Honorable Ron Johnson, Chairman, Senate Committee on Homeland Security and Governmental Affairs  
The Honorable Gary C. Peters, Ranking Member, Senate Committee on Homeland Security and Governmental Affairs  
The Honorable Carolyn B. Maloney, Chairwoman, House Committee on Oversight and Reform  
The Honorable Jim Jordan, Ranking Member, House Committee on Oversight and Reform

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