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United States Senate

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HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

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September 26, 2014

VIA U.S. MAIL & EMAIL (nathan.j.gatten@jpmchase.com)

Mr. Jamie Dimon
Chief Executive Officer
JPMorgan Chase
270 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

I write to seek information regarding JPMorgan Chase's banking operations in communities near the U.S.-Mexico border. Over the past year, large financial institutions, including Chase, have scaled back their services along the border by closing local branches and instituting a number of cross-border banking restrictions. These actions have not only made it more difficult for certain Arizonan entrepreneurs, who own or manage cash-intensive businesses, to obtain the necessary capital to run those businesses, but have also presented new obstacles for companies that do business in both the United States and Mexico.

Branch closures in U.S. border towns have forced local business owners to end long-standing relationships with financial institutions in their communities. According to recent media reports, four branches representing several major banks have closed over the past year in Nogales, Arizona alone. Those closures have resulted in higher transaction costs and substantial difficulties for local businesses.

Recent regulatory actions may explain the sudden closing of financial institutions near the border. In August, the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) teamed up with its Mexican counterpart to institute new reporting initiatives on cross-border movements of cash. The goal of this regulatory effort has been to target drug trafficking organizations and hinder money laundering.

Although financial regulators seek to address an important issue, their actions have created hardships for small business owners. Concern over the regulatory risks associated with international cash transactions was reportedly the driving force behind Chase's cancellation of its Rapid Cash program this past November. As you may know, Rapid Cash offered consumers free international money transfers and was widely used by small business owners operating on the border.

I understand the difficult task that financial institutions like Chase face in keeping illicit funds out of our financial system. However, as regulatory pressures increase and compliance

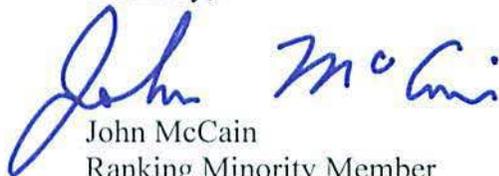
costs continue to rise, it is crucial for the economic vitality of border communities that local businesses continue to have access to necessary banking services.

In order to address this issue, please provide responses to the following questions:

1. How many branches has Chase closed in states bordering Mexico since 2012? Please note the locations of closed branches and the reason for closing each.
2. What are the primary reasons why your company decided to close its branches in Arizona border communities?
3. To what extent are branch closures in border communities due to regulatory or statutory requirements or compliance costs? Please detail the applicable regulations or statutes driving such costs.
4. Did regulatory or statutory compliance costs influence Chase's decision to cancel its Rapid Cash program? If so, please explain which regulations or statutes significantly influenced Chase's decision.
5. Does Chase have different banking procedures in place for cross-border transactions with Canada from cross-border transactions with Mexico? If so, how do they differ?

Thank you for your attention to this important matter. If you have any questions or concerns, please have your staff contact Jack Thorlin, Counsel to the Minority, Permanent Subcommittee on Investigations, at 202/224-2224.

Sincerely,

A handwritten signature in blue ink that reads "John McCain". The signature is fluid and cursive, with the first name "John" written in a larger, more prominent script than the last name "McCain".

John McCain
Ranking Minority Member
Permanent Subcommittee on Investigations