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Biggest Credit Card Issuers Behind Anti-CFPB Trade Groups Leading The Fight Against New Late Fee Rule

SUMMARY: In February 2023, the Consumer Financial Protection Bureau (CFPB) proposed a new rule limiting credit card late fees to $8 and creating other related protections, helping to defend consumers from spiraling credit card debt that would soon reach a "new record high of $1.13 trillion" by the end of the year.

Meanwhile, major financial industry groups the American Bankers Association (ABA) and Consumer Bankers Association (CBA) immediately slammed the CFPB's late fee rule as part of "a political agenda that will harm, rather than help" consumers.

New Accountable.US research shows that the eight largest credit card issuers—six of which serve either on the boards of either the ABA or CBA—have criticized the late fee rule or the CFPB itself while collecting billions in revenue from card fees, helping to fuel billions in profits:

Chase

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, JPMorgan wrote that "late fees are a more effective deterrent to consumers paying late than other potential future consequences, such as lower credit scores and higher cost of credit" and that industry may have to raise interest rates if they couldn't charge late fees.

- In its FY 2023, JPMorgan Chase's card income grew by $364 million to over $4.4 billion, while its overall net income rose by 32% to $49.5 billion, the most profitable year in the history of the U.S banking industry.

American Express

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, American Express voiced concerns over the rule only taking into account "pre-charge-off collection costs" while admitting late fees made up less than 1% of total revenue in 2022.

- In its 2023 annual report, American Express warned about the CFPB's late fee rule among "substantial" costs of government regulation, while its CEO said card fees made him "feel really good about [the company's] prospects" and its CFO said "we expect card fees to be a key contributor to growth going forward."

- In its FY 2023, delinquency fees collected by American Express soared by 19% to over $960 million, while its card fee revenue soared by 20% to $7.3 billion, and its average fee per card rose by 12% to $92—all helping its FY 2023 net income rise 11% to $8.4 billion.

Citi

- In defending its credit card late fees, Citi said the fees "encourage customers to make timely payment" while criticizing the CFPB's late fee rule as "undermin[ing] the key role that late fees play in the credit card relationship" and "run[ning] counter to the policy goal of encouraging the responsible use of credit."

- Citigroup has included the CFPB's late fee rule among its "strategic risks" and its CFO has told shareholders that the company would "bring into play" certain "offsets" to compensate for less late fee revenue.

- Citigroup collected $475 million in "card related loan fees" in its FY 2023, while reporting $9.2 billion in net income.

Capital One

- In defending its credit card late fees, Capital One said it believe[d] that reasonable late fees [...] play a critical role in providing appropriate incentives for customers to use credit cards in a responsible manner," later comparing them to speeding tickets being used to disincentive speeding.

- January 2024: In its FY 2023 earnings call, Capital One's chairman and CEO warned of the late fee rule's "significant impact" on profits and warned of "industry litigation" against it, while stating that, "obviously, the late fees are an important thing" to the company's finances.

- In its FY 2023, Capital One reported $5.7 billion in non-interest income from its domestic card business while it reported a net income of $4.9 billion.

Bank of America

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, Bank of America wrote that "it is important that late fees be set at a rate that encourages on-time payments" as "changes [to credit card late fees] may have unintended consequences for all customers, including those who have lower incomes or who may be marginally creditworthy."

- In its FY 2023, Bank of America's noninterest card income, which includes late fees, was $5.3 billion, while its FY 2023 net income was $26.5 billion.

Discover

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, Discover wrote that "meaningful late fees create an incentive and urgency to pay on time" and "tools such as due date alerts and voluntary automatic payments alone are insufficient to fully encourage on-time payments."

- In its FY 2023 annual report, Discover claimed that the CFPB's late fee rule "could result in increased cardholder delinquencies and credit losses" and complained that regulators may "limit the fees we charge for services."

- In its FY 2023, Discover had a net income of $2.9 billion.

U.S. Bank

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, U.S. Bank wrote that lowering credit card late fees would negatively impact consumers by "reduc[ing] incentives for cardholders to pay on time," which could lead to "lower credit scores, increased cost of credit and limited credit availability in the future."

- In its FY 2023 annual report, U.S. Bank identified the late fee rule as a "regulatory and legal risk" that could "reduce the company's revenues."

- In its FY 2023, U.S. Bank's card revenue climbed 7.8% to $1.6 billion, while it had a net income of $5.49 billion and it enjoyed a "record net revenue of $28.1 billion."

Wells Fargo

- After receiving a Senate request for information on its credit card late fee practices following introduction of the CFPB's proposed rule, Wells Fargo wrote that late fees were an "effective way to incentivize customers to make their payments on time" while admitting they made $315 million from credit card late fees in 2022, up from $265 million in 2021.

- In its FY 2023 report, Wells Fargo warned that CFPB rules on credit cards and other products could result in "increased regulatory compliance costs."

- In its FY 2023, Wells Fargo took $4.3 billion in card fees while its net income soared by 40% to $19.1 billion.

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Background

In February 2023, The Consumer Financial Protection Bureau (CFPB) Announced A New Proposed Rule Limiting Credit Card Late Fees.

In February 2023, The Consumer Financial Protection Bureau Proposed A New Rule Limiting Credit Card Late Fees After The Federal Reserve Created An Immunity Provision Allowing Late Fees Of As High As $41 After The Passage Of The 2009 Credit Card Act Which Sought To Ban Excessive Late Fees.

February 1, 2023: The Consumer Financial Protection Bureau Proposed A New Rule "Curb[Ing] Excessive Credit Card Late Fees That Cost American Families About $12 Billion Each Year" Which The Bureau Estimated Would Save Consumers "As Much As $9 Billion Per Year." "Today, the Consumer Financial Protection Bureau (CFPB) proposed a rule to curb excessive credit card late fees that cost American families about $12 billion each year. Major credit card issuers continue to profit off late fees that are protected by an expansive immunity provision. Credit card companies have also relied on this provision to hike fees with inflation, even if they face no additional collection costs. The proposed rule would help ensure that over the top late fee amounts are illegal. Based on the CFPB's estimates, the proposal could reduce late fees by as much as $9 billion per year." [Consumer Financial Protection Bureau, 02/01/23]

Although Exorbitant Credit Card Fees Were Banned Under The 2009 Credit CARD Act, Federal Reserve Created An Immunity Provision Allowing Credit Card Companies To Charge Late Fees As High As $41. "The Federal Reserve Board, by regulation, created the immunity provisions to allow credit card companies to avoid scrutiny of whether their late fees met the reasonable and proportional standard. Over time, those provisions have risen with inflation to $30 for an initial late payment and $41 for subsequent late payments. The CFPB estimates that the income generated by the largest issuers from late fees is approximately five times greater than the collection costs that the companies incur for late payment violations. In 2020, for example, credit card companies charged approximately $12 billion in late fees, which represented more than 10% of all credit card interest and fees charged to consumers." [Consumer Financial Protection Bureau, 02/01/23]

- **According To CFPB Director Rohit Chopra, The 2009 Credit CARD Act Nominally Banned Exorbitant Credit Card Fees.** "Congress banned exorbitant credit card fees under the Credit CARD Act in 2009, but an immunity provision instituted by the Federal Reserve Board of Governors enabled card companies to dodge enforcement standards, said Rohit Chopra, director of the Consumer Financial Protection Bureau." [CNBC, 02/01/23]

The CFPB's Proposed Rule Would Limit Credit Card Late Fees To $8, Eliminate Automatic Inflation Adjustments For Late Fees, And Restrict Any Late Fee Charge To 25% Of The Credit Card's Minimum Payment.

The CFPB's Proposed Rule Would Lower The Immunity Provision's Fee Limit From $41 To $8. "Lower the immunity provision dollar amount for late fees to $8: The CFPB has preliminarily found that late fee income exceeds associated collection costs by a factor of five. Because the immunity provision currently allows issuers to charge late fees of up to $41, the CFPB believes that a late fee of $8 would be sufficient for most issuers to cover collection costs incurred as a result of late payments. The $8 immunity provision would apply to any missed payment. Companies would be able to charge above the immunity provision so long as they could prove the higher fee is necessary to cover their incurred collection costs." [Consumer Financial Protection Bureau, 02/01/23]

The CFPB's Proposed Rule Would Also "Eliminate The Automatic Annual Inflation Adjustment For The Immunity Provision Amount." "End the automatic annual inflation adjustment: The CFPB's proposal would eliminate the automatic annual inflation adjustment for the immunity provision amount. This adjustment is not required by law, nor is it necessarily reflective of how collection costs change over time. The CFPB would instead monitor market conditions and the immunity provision amount for potential adjustments as necessary." [Consumer Financial Protection Bureau, 02/01/23]

Lastly, The CFPB's Proposed Rule Would "Restrict Any Late Fee Charge To 25% Of The Minimum Payment To Be More Consistent With Congress's Intent To Authorize Only Reasonable And Proportional Late Fee Amounts." "Cap late fees at 25% of the required minimum payment: The current rule allows a card issuer to potentially charge a late fee that is 100% of the minimum payment owed by the cardholder. The CFPB proposes to restrict any late fee charge to 25% of the minimum payment to be more consistent with Congress's intent to authorize only reasonable and proportional late fee amounts." [Consumer Financial Protection Bureau, 02/01/23]

February 2024: The Federal Reserve Bank Of New York Reported That Americans' Credit Card Balances Reached A "New Record High Of $1.13 Trillion," With Late Card Payments And Delinquencies Growing.

February 2024: The Federal Reserve Bank Of New York Released Data Showing That Americans' Credit Card Balances Reached A "New Record High Of $1.13 Trillion" In Q4 2023 And That The Number Of Late Credit Card Payments And Delinquencies Were Growing.

February 2024: The Federal Reserve Bank Of New York Released Data Showing That Americans' Credit Card Balances Reached A "New Record High $1.13 Trillion," Climbing By $50 Billion—4.6%—From Q3 2023 To Q4 2023. "Americans' credit card balances climbed to a new record high $1.13 trillion, according to data released Tuesday by the Federal Reserve Bank of New York. Credit card debt increased by $50 billion in the fourth quarter of 2023 alone, a 4.6% jump from the previous quarter." [ABC News, 02/06/24]

In A "Concerning Sign For Consumers And The Broader Economy," The Number Of Americans Making Late Credit Card Payments Is Increasing And Delinquencies Have "Increased Across All Age Groups." "In a potentially concerning sign for consumers and the broader economy, the number of Americans who are late making their credit card payments is also ticking up. Delinquencies – reflecting missed payments on credit card bills – increased across all age groups. Borrowers between the ages of 30-39 are missing their payments at especially fast rates." [ABC News, 02/06/24]

In 2019, 60% Of The $23.6 Billion That Card Issuers Charged Were From Late Fees And In 2022, Late Fees Returned To Pre-Pandemic Levels, At $14.5 Billion.

According To The CFPB, Of The $23.6 Billion In Fees That Card Issuers Charged In 2019, $14 Billion Were From Late Fees. "Late fees [...] Late fees are penalties for not paying a bill by the due date, and can be major sources of revenue for companies. Of the $23.6 billion fees charged by card issuers in 2019, $14 billion came from late fees alone." [Consumer Financial Protection Bureau, accessed 02/22/24]

According To The CFPB, Card Issuers Charged $14.5 Billion In Late Fees In 2022, "Returning To Pre-Pandemic Levels." "Consumers were charged $14.5 billion in late fees, returning to pre-pandemic levels and up from $11.3 billion in 2021: Late fees continued to be the most significant fee assessed to cardholders in both dollar amount and frequency. More consumers are facing difficulties paying their credit card bills on time, with delinquency rates rising since the end of pandemic relief programs in 2021." [Consumer Financial Protection Bureau, 10/25/23]

In March 2022, The CFPB Reported That Late Fees Accounted For 99% Of Card Issuers' Penalty Fees And Represented "Over Half Of The Credit Card Market's Total Consumer Fees." "MARKET RELIANCE ON CREDIT CARD LATE FEES [...] Late fees account for 99 percent of penalty fees and over half of the credit card market's total consumer fees." [Consumer Financial Protection Bureau, March 2022]

Six Of The Eight Biggest Credit Card Issuers Were Represented On The Board Of Major Financial Industry Groups The American Bankers Association (ABA) And The Consumer Bankers Association, Which Claimed The CFPB's Late Fee Rule Was Part Of "A Political Agenda That Will Harm, Rather Than Help" Consumers.

Six Of The Eight Largest Credit Card Issuers Are Represented On The Boards Of The American Bankers Association Or Consumer Bankers Association.

According To The Nilson Report, The Eight Largest U.S. Credit Card Issuers In 2022 Were Chase, American Express, Citi, Capital One, Bank Of America, Discover, U.S. Bank, And Wells Fargo, Collectively Accounting For Over $4 Trillion In Transactions That Year:

1. **Chase:** $1.14 trillion
2. **American Express:** $1.03 trillion
3. **Citi:** $563.4 billion
4. **Capital One:** $534.5 billion
5. **Bank of America:** $480.6 billion
6. **Discover:** $210.7 billion
7. **U.S. Bank:** $190.8 billion
8. **Wells Fargo:** $171.6 billion

[U.S. News, 05/03/23]

- **The Nilson Report Considers Itself The "Most Respected Source Of News And Analysis Of The Global Card And Mobile Payment Industry."** "The Nilson Report, in its 53rd year of publication, is the most respected source of news and analysis of the global card and mobile payment industry." [Nilson Report, accessed 02/27/24]

Six Of The Eight Largest U.S. Credit Issuers Are Represented On The Boards Of Either The American Bankers Association Or Consumer Bankers Association:

Credit Issuer	ABA Board Members	CBA Board Members
JPMorgan Chase	Jennifer Piepszak, Co-CEO, Consumer & Community Banking	Becky Griffin, Chief Administrative Officer, Consumer Banking
Citi	—	Craig Vallorano, Head of Retail Banking
Capital One	—	Celia Karam, President of Retail Banking
Bank of America	—	Christine Channels, Head of Community Banking and Consumer Governance
U.S. Bank	—	Arijit Roy, Executive Vice President of Consumer Segment and Solutions
Wells Fargo	—	Shaun McDougall, Head Of National Advice And Acquisition Consumer And Small Business Banking

The American Bankers Association And Consumer Bankers Association Have Slammed The CFPB's Proposed Late Fee Rule As "Harm[ing] Consumers By Reducing Competition And Access To Credit" And Being "'The Latest Example Of The Bureau Seeking To Advance A Political Agenda That Will Harm, Rather Than Help, The Very People They Are Responsible For Serving.'"

February 1, 2023: The American Bankers Association Came Out Against The CFPB Proposed Rule, With Its President And CEO, Rob Nichols, Saying The Rule Would "Harm Consumers By Reducing Competition And Access To Credit." "Against strong objections from the American Bankers Association, the Consumer Financial Protection Bureau and the White House today proposed to eliminate a longstanding safe harbor that banks of all sizes rely upon when setting late fees on credit card payments. Citing "excessive credit card late fees," the CFPB proposed slashing the safe harbor dollar amount for late fees from $30 to $8 and eliminating a higher safe harbor dollar amount for late fees for subsequent violations of the same type; eliminating the annual inflation adjustment for the safe harbor amount that was provided by the Federal Reserve Board in 2010; and capping late fee amounts at 25% of the required payment. [...] ABA President and CEO Rob Nichols blasted the agency's decision, saying it would harm consumers by reducing competition and access to credit. 'If the proposal is enacted, credit card issuers will be forced to adjust to the new risks by reducing credit lines, tightening standards for new accounts and raising APRs for all consumers, including the millions who pay on time,' he said." [ABA Banking Journal, 02/01/23]

February 1, 2023: Consumer Bankers Association (CBA) President and CEO Lindsey Johnson Slammed The CFPB's Proposed Rule As "'The Latest Example Of The Bureau Seeking To Advance A Political Agenda That Will Harm, Rather Than Help, The Very People They Are Responsible For Serving,'" Adding That "'It Is Deeply Unfortunate And Puzzling That Policymakers Would Take Action That Could Ultimately Limit Consumers' Access To [Credit Cards] At A Time When They Are Needed Most.'" "Consumer Bankers Association (CBA) President and CEO Lindsey Johnson today released the following statement after the Consumer Financial Protection Bureau (CFPB) announced a Notice of Proposed Rulemaking (NPRM) that would limit the safe harbor amount credit card issuers can charge consumers for overdue payments: 'This announcement is just the latest example of the Bureau seeking to advance a political agenda that will harm, rather than help, the very people they are responsible for serving. Millions of Americans rely on credit cards to make everyday purchases and cover emergency expenses. It is deeply unfortunate and puzzling that policymakers would take action that could ultimately limit consumers' access to these valued financial products at a time when they are needed most.'" [Consumer Bankers Association, 02/01/23]

Chase

In Defending Its Credit Card Late Fees, JPMorgan Chase Wrote That Late Fees Were A "More Effective Deterrent To Consumers Paying Late" Than Lowering Credit Scores And That Industry Would Have To Raise Interest Rates If They Couldn't Charge Late Fees.

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, JPMorgan Wrote That "Late Fees Are A More Effective Deterrent To Consumers Paying Late Than Other Potential Future Consequences, Such As Lower Credit Scores And Higher Cost Of Credit" And That Industry May Have To Raise Interest Rates If They Couldn't Charge Late Fees.

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Letter Responding To The Senators, Kathleen Mellody, JPMorgan's Head Of Federal Government Relations, Wrote That "Late Fees Are A More Effective Deterrent To Consumers Paying Late Than Other Potential Future Consequences, Such As Lower Credit Scores And Higher Cost Of Credit" And Suggested That "65% To 70%" Of Late Credit Card Customers Didn't Miss The Next Payment Due To Being Assessed A Previous Late Fee. "Due to the clarity and the immediacy of their impact, late fees are a more effective deterrent to consumers paying late than other potential future consequences, such as lower credit scores and higher cost of credit. In fact, 65% to 70% of our credit card customers who miss a payment do not miss their subsequent payment." [Response Letters from Credit Card Issuers, 05/23/23]

Mellody Went On To Write That "Late Fees Help Financial Institutions Manage The Risk Of Extending Credit To Consumers Who Have A Shorter Credit History Or Who Have Lower Credit Scores" And That "Reducing Late Fees May Have The Unintended, Adverse Impact Of Raising Interest Rates For Cardholders Across The Industry." "Late fees help financial institutions manage the risk of extending credit to consumers who have a shorter credit history or who have lower credit scores. Limiting these fees could reduce the availability of credit across the market for these consumers. We are also concerned that reducing late fees may have the unintended, adverse impact of raising interest rates for cardholders across the industry – increasing costs for all customers, including for those who pay on time, but carry a balance." [Response Letters from Credit Card Issuers, 05/23/23]

In Its FY 2023, JPMorgan Chase's Card Income Grew By $364 Million To Over $4.4 Billion, While Its Overall Net Income Rose By 32% To $49.5 Billion, The Most Profitable Year In The History Of The U.S Banking Industry.

In Its FY 2023, JPMorgan Chase's Card Income Grew By $364 Million To Over $4.4 Billion, Helping The Banks' Consumer Banking Segment Profits Grow By 42% To $21.2 Billion.

In Its FY 2023, JPMorgan Chase's Card Income Grew From $4.42 Billion To $4.78 Billion Year-Over-Year, A $364 Million Increase:

The following table presents the components of card income:

Year ended December 31, (in millions)	2023	2022	2021
Interchange and merchant processing income	$ 31,021	$ 28,085	$ 23,592
Reward costs and partner payments	(24,601)	(22,162)	(17,868)
All other[(a)]	(1,636)	(1,503)	(622)
Total card income	**$ 4,784**	$ 4,420	$ 5,102

[JPMorgan Chase & Co. SEC Form 10-K, 02/16/24]

In Its FY 2023, JPMorgan Chase's Consumer & Community Banking Segment Saw Its Net Income Soar By Over $6.3 Billion To $21.2 Billion, A 42% Increase:

Segment results and reconciliation[(a)]

(Table continued on next page)

As of or for the year ended December 31, (in millions, except ratios)	Consumer & Community Banking		
	2023	2022	2021
Noninterest revenue	$ 15,118	$14,886 (b)	$17,092
Net interest income	55,030	39,928	32,787
Total net revenue	70,148	54,814	49,879
Provision for credit losses	6,899	3,813	(6,989)
Noninterest expense	34,819	31,208 (b)	29,028
Income/(loss) before income tax expense/ (benefit)	28,430	19,793	27,840
Income tax expense/ (benefit)	7,198	4,877 (b)	6,883
Net income/(loss)	$ 21,232	$14,916	$20,957

[JPMorgan Chase & Co. SEC Form 10-K, 02/16/24]

In FY 2023, JPMorgan Chase & Co.'s Net Income Rose By 32% To $49.5 Billion, The Most Profitable Year In The History Of The U.S Banking Industry.

JPMorgan Chase & Co.'s Total Net Income Rose From $37.7 Billion In FY 2022 To $49.5 Billion In FY 2023, A 32% Increase:

As of or for the year ended December 31, (in millions, except per share, ratio, employee data and where otherwise noted)	2023	2022	2021
Selected income statement data			
Total net revenue	$ 158,104	$ 128,695	$ 121,649
Total noninterest expense	87,172	76,140	71,343
Pre-provision profit[(a)]	70,932	52,555	50,306
Provision for credit losses	9,320	6,389	(9,256)
Income before income tax expense	61,612	46,166	59,562
Income tax expense	12,060	8,490	11,228
Net income	$ 49,552	$ 37,676	$ 48,334

[JPMorgan Chase & Co. SEC Form 10-K, 02/16/24]

JPMorgan's 2023 Was The Most Profitable Year In The History Of The U.S Banking Industry. "JPMorgan Chase & Co. made more annual profit than any lender in the history of US banking. Its $9.3 billion of net income in the fourth quarter of 2023 means the biggest US bank made $49.6 billion for the year, up 32% from 2022 and topping a record $48.3 billion from 2021." [Bloomberg, 01/12/24]

American Express

American Express Defended Credit Card Late Fees As Making Up Less Than 1% Of Total Revenue In 2022 While Voicing Concerns The CFPB's Credit Card Late Fee Rule Didn't Take Into Account The Total Cost Of Collecting Late Payments.

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, American Express Voiced Concerns Over The Rule Only Taking Into Account "Pre-Charge-Off Collection Costs" While Admitting Late Fees Made Up Less Than 1% Of Total Revenue In 2022.

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, Howard Grosfield, President Of U.S. Consumer Services For American Express, Voiced Concerns Over The CFPB's Credit Card Late Fee Only Taking Into Account "Pre-Charge-Off Collection Costs," Excluding Collection Costs Coming After A Charge-Off. "Even though late fees aren't a meaningful contributor to Amex's revenue, there are costs tied to non-payment or late payment, including recovery expenses to collect late payments and a higher cost of managing credit risk, Howard Grosfield, Amex's president of U.S. Consumer Services, wrote in his response. 'The CFPB can achieve its objective of significantly reducing penalty fees for consumers while doing so in a way that more accurately reflects the variables that drive costs for issuers associated with late payments than the proposed rule does today,' Grosfield wrote. Amex has suggested to the CFPB that collection costs include pre-and post-charge-off costs, whereas the bureau's proposal would only allow for the inclusion of pre-charge-off collection costs, Grosfield wrote." [Payments Dive, 07/06/23]

In Its Response Letter, American Express Admits That Late Fees Make Up A Negligible Percentage Of Total Revenue, With "Late Fees Collected From U.S. Consumer Card Members Compris[ing] Less Than 1% Of The Total Revenue Of American Express" In 2022. "American Express strives for on-time payments from our card members and believes that paying on time is critical to the financial health of our customers and the safety and soundness of American Express National Bank. Late fees are not a significant source of revenues for American Express. In 2022, late fees collected from U.S. consumer card members comprised less than 1% of the total revenue of American Express." [Response Letters from Credit Card Issuers, 05/23/23]

In Its 2023 Annual Report, American Express Warned About The CFPB's Late Fee Rule As Among "Substantial" Costs Of Government Regulation, While Its CEO Said Card Fees Made Him "Feel Really Good About [The Company's] Prospects" And Its CFO Said, "We Expect Card Fees To Be A Key Contributor To Growth Going Forward."

In Its FY 2023 Annual Report, American Express Warned About The CFPB's Late Fee Rule As It Complained About The "Substantial" Cost Of Government Regulation.

In A Section Of Its FY 2023 Annual Report About The "Substantial" Costs Of Government Regulation, American Express Warned That The CFPB's Late Fee Rule Could Adversely Affect Its Business. "We are subject to evolving and extensive government regulation and supervision in jurisdictions around the world, and the costs of ongoing compliance are substantial. The financial services industry is subject to rigorous scrutiny, high regulatory expectations, a range of regulations and a stringent and unpredictable enforcement environment. [...] Consumer Financial Products Regulation [...] On February 1, 2023, the CFPB issued a proposed rule to lower the safe harbor amount that would be considered, by regulation, to be 'reasonable and proportional' to the costs incurred by credit card issuers for late payments. The proposed rule would also eliminate the annual inflation adjustment for such safe harbor amount and prohibit late fee amounts above 25 percent of the consumer's required minimum payment." [American Express Company SEC Form 10-K, 02/09/24]

January 2024: In Its Q4 2023 Earnings Call, American Express' CEO Highlighted "Card Fees" Among Revenue Sources Making Him "Feel Really Good About [The Company's] Future Prospects," While The Company's CFO Said, "We Expect Card Fees To Be A Key Contributor To Growth Going Forward."

In Its Q4 2023 Earnings Call, American Express Chairman And CEO Steve Squeri Featured "Card Fees" First While Touting Revenue Sources That Make Him "Feel Really Good About [The Company's] Future Prospects." "Steve Squeri [...] Looking ahead, let me tell you why I feel really good about our future prospects. We have a business model that is delivering premium performance, and we have strong momentum, which is driven by four key features of our model that differentiate us from the competition and are difficult to replicate. First, our economic construct has a set of diversified revenue sources that include card fees, spending and best-in-class lending with our subscription-like card fees being a core and fast-growing component of our revenue mix." [Motley Fool, 01/26/24]

- **Stephen J. Squeri Is The Chairman And CEO Of American Express.** [American Express, accessed 02/23/24]

While Touting American Express' "Record Annual Revenues" Over The Previous Two Years, Squeri Touted That 70% Of New Proprietary Card Accounts Were "Coming Into The Franchise On Fee-Based Products." "Steve Squeri [...] Today, we are a larger and stronger company. Since 2021, we've delivered record annual revenues, increasing the scale of our business by over 40% in just two years from $42 billion to $61 billion in annual revenues -- in revenues. Annual card spending over this period has increased 37% on an FX adjusted basis to a record $1.5 trillion. We've added about 25 million new proprietary card accounts over the last two years, and over 70% of these new accounts are coming into the franchise on fee-based products." [Motley Fool, 01/26/24]

In Its Q4 2023 Earnings Call, American Express Chief Financial Officer Christophe Le Caillec Touted That Card Fees Grew 20% In Its FY 2023, While Noting "We Expect Card Fees To Be A Key Contributor To Growth Going Forward." "Christophe Le Caillec [...] We expect card fees -- so Q4 is at 17%, full-year at 20%, we expect card fees to be a key contributor to growth going forward -- to remain a key contributor to growth going forward, and actually to exit Q4 at a higher level than where we are right now." [Motley Fool, 01/26/24]

- **Christophe Le Caillec Is American Express' Chief Financial Officer.** [American Express, accessed 02/23/24]

In Its FY 2023, Delinquency Fees Collected By American Express Soared By 19% To Over $960 Million, While Its Card Fee Revenue Soared By 20% To $7.3 Billion, And Its Average Fee Per Card Rose By 12% To $92—All Helping Its FY 2023 Net Income Rise 11% To $8.4 Billion.

In Its FY 2023, Delinquency Fees Collected By American Express Rose By 19% To $963 Million.

In 2023, American Express Disclosed Collecting $1.5 Billion In Service Fees, $963 Million In Delinquency Fees, And $459 Million In Other Fees And Revenues. "Service fees and other revenue includes service fees earned from merchants and other customers and travel commissions and fees, which are generally recognized in the period when the service is performed, and delinquency and foreign currency-related fees, which are primarily recognized in the period when they are charged to the Card Member. In addition, Service fees and other revenue includes income (losses) from our investments in which we have significant influence and therefore account for under the equity method. Refer to Note 18 for additional information." [American Express Company SEC Form 10-K, 02/09/24]

NOTE 18

SERVICE FEES AND OTHER REVENUE AND OTHER EXPENSES

The following is a detail of Service fees and other revenue for the years ended December 31:

(Millions)	2023	2022	2021
Service fees	$ 1,518	$ 1,444	$ 1,385
Foreign currency-related revenue	1,428	1,202	624
Delinquency fees	963	809	637
Travel commissions and fees	637	507	244
Other fees and revenues	459	559	426
Total Service fees and other revenue	$ 5,005	$ 4,521	$ 3,316

[American Express Company SEC Form 10-K, 02/09/24]

In Its FY 2023, American Express' Net Card Fee Revenue Rose By 20% To $7.3 Billion.

American Express' Net Card Fee Revenue Rose From $6.1 Billion In Its FY 2022 To $7.3 Billion In Its FY 2023—A 20% Increase:

Year Ended December 31 *(Millions, except per share amounts)*	2023	2022	2021
Revenues			
Non-interest revenues			
Discount revenue	$ 33,416	$ 30,739	$ 24,563
Net card fees	7,255	6,070	5,195
Service fees and other revenue	5,005	4,521	3,316

[American Express Company SEC Form 10-K, 02/09/24]

In Its FY 2023, American Express' Average Fee Per Card Rose By 12% To $92 Per Card.

American Express' Average Fee Per Card Rose From $82 In Its FY 2022 To $92 In Its FY 2023, A 12% Increase:

	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22	YOY % change	FY'23	FY'22	YOY % change
[...]									
Average fee per card (dollars) (G)	$ 95	$ 93	$ 91	$ 88	$ 85	12	$ 92	$ 82	12

[American Express Company SEC Form 10-K, 02/09/24]

In Its FY 2023, American Express' Net Income Rose By 11% To $8.4 Billion While Its Non-Interest Revenue Rose 10% To $47.4 Billion.

American Express' Net Income Rose From $7.5 Billion In Its FY 2022 To $8.4 Billion In Its FY 2023—An 11% Increase:

Net income	$ 8,374	$ 7,514	$ 8,060

[American Express Company SEC Form 10-K, 02/09/24]

American Express' Total Non-Interest Revenue Rose From $43 Billion In Its FY 2022 To $47.4 Billion In Its FY 2023—A 10% Increase:

Total non-interest revenues	47,381	42,967	34,630

[American Express Company SEC Form 10-K, 02/09/24]

Citi

In Defending Its Credit Card Late Fees, Citi Said The Fees "Encourage Customers To Make Timely Payment" While Criticizing The CFPB's Late Fee Rule As "Undermin[ing] The Key Role That Late Fees Play In The Credit Card Relationship" And "Run[ning] Counter To The Policy Goal Of Encouraging The Responsible Use Of Credit."

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, Citi Praised Credit Card Late Fees As "Encourag[ing] Customers To Make Timely Payment" While Criticizing The CFPB's Late Fee Rule As "Undermin[ing] The Key Role That Late Fees Play In The Credit Card Relationship."

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, Pamela Habner, Head Of Citi Branded Cards & Lending, And Kartik Mani, Head Of Citi Retail Services, Praised Credit Card Late Fees As "Encourag[ing] Customers To Make Timely Payment" While Criticizing The CFPB's Late Fee Rule As "Undermin[ing] The Key Role That Late Fees Play In The Credit Card Relationship." "Late fees encourage customers to make timely payments and enable issuers to prudently manage credit risk and recover a portion of their costs associated with customer delinquencies. These fees are clearly disclosed and well understood by customers. The reductions to the safe harbor amount will undermine the key role that late fees play in the credit card relationship. Consequently, we do not support the changes reflected in the proposed rule and disagree with attempts to characterize credit card late fees as 'junk fees.'" [Response Letters from Credit Card Issuers, 05/23/23]

Citi Also Claimed The CFPB's Credit Card Late Fee Rule "Runs Counter To The Policy Goal Of Encouraging The Responsible Use Of Credit" And Noted That While It Had "Eliminated All Overdraft Fees For Our Retail Banking Customers," "Eliminating Overdraft Fees For Retail Banking Customers Is Entirely Different Than Drastically Reducing Late Fees For Credit Card Customers" Which Serve As An "Effective Tool To Deter Customers From Paying Late."

Habner And Mani Also Wrote That A "Reduced Late Fee Would Provide Less Of An Incentive For Customers To Pay On Time, Resulting In An Increase In Late Payments That May Negatively Affect Customer Credit Scores And Access To Credit," Adding That "The Proposed Rule May Harm Those Customers It Is Intended To Help And Runs Counter To The Policy Goal Of Encouraging The

Responsible Use Of Credit." "The drastic reduction in the late fee safe harbor amount may harm customers in the long term. The reduced late fee would provide less of an incentive for customers to pay on time, resulting in an increase in late payments that may negatively affect customer credit scores and access to credit. The late fee change could also limit the ability of issuers to prudently manage risk. We agree with the industry perspective that the ultimate consequences to customers are likely to be higher costs of credit, reduced credit availability and reduced card benefits. It is our view that the proposed rule may harm those customers it is intended to help and runs counter to the policy goal of encouraging the responsible use of credit." [Response Letters from Credit Card Issuers, 05/23/23]

Habner And Mani Also Noted That While Citi "Eliminated All Overdraft Fees For Our Retail Banking Customers," "Eliminating Overdraft Fees For Retail Banking Customers Is Entirely Different Than Drastically Reducing Late Fees For Credit Card Customers" Which Serve As An "Effective Tool To Deter Customers From Paying Late." "Last summer, Citi eliminated all overdraft fees for our retail banking customers, making us the first large bank to do so. We were proud to have taken this step, as this was the right choice for us to better serve our customers. However, eliminating overdraft fees for retail banking customers is entirely different than drastically reducing late fees for credit card customers. Credit cards allow customers to obtain unsecured credit, that if unpaid, must be charged to loss by the issuer in accordance with regulatory requirements. The existing late fee safe harbor structure is an important and effective tool to deter customers from paying late, and it supports card issuers in managing risk and reducing delinquencies and credit losses." [Response Letters from Credit Card Issuers, 05/23/23]

Citigroup Has Included The CFPB's Late Fee Rule Among Its "Strategic Risks" And Its CFO Has Told Shareholders That The Company Would "Bring Into Play" Certain "Offsets" To Compensate For Less Late Fee Revenue.

In Its FY 2023 Annual Report, Citigroup Included The CFPB's Late Fee Rule Among Its "Strategic Risks," Warning That The Rule "Would Reduce Credit Card Fee Revenues"

In The "Strategic Risks" Section Of Its FY 2023 Annual Report, Citigroup Disclosed That The CFPB's Late Fee Rule "Would Reduce Credit Card Fee Revenues In Branded Cards And Retail Services In USPB [U.S. Personal Banking]." "STRATEGIC RISKS [...] For example, in February 2023, the Consumer Financial Protection Bureau (CFPB) proposed significant changes to the maximum amounts on credit card late fees, which, if adopted as proposed, would reduce credit card fee revenues in Branded Cards and Retail Services in USPB [U.S. Personal Banking]." [Citigroup Inc. SEC Form 10-K, 02/23/24]

When Asked About A Potential Reduction In Late Fee Revenue During Its FY 2023 Earnings Call, Citi's CFO Said, "We Do Believe There Are Offsets And Mitigants That Over Time, We'll Be Able To Kind Of Bring Into Play."

January 2024: Asked About A Potential Reduction In Late Fees, Citi Chief Financial Officer Mark Mason Said, "We Do Believe There Are Offsets And Mitigants That, Over Time, We'll Be Able To Kind Of Bring Into Play." "STEVEN CHUBAK: Hi, thanks for taking my questions. Really just some ticky-tack modeling questions on the revenue side. Does the revenue guidance for the full year include any reduction in credit card late fees? And how large of a contributor is that to revenues overall at Citigroup? MARK MASON: So, let's see, so obviously, the proposal is out there and we've factored in what's knowable as it relates to that. We haven't given guidance externally on what that impact is, but we do believe there are offsets and mitigants that, over time, we'll be able to kind of bring into play. And so, a long-winded way of saying our revenue forecast does assume some basic level of late fee adjustment." [Citigroup, 01/12/24]

- **Mark Mason Is Citi's Chief Financial Officer.** [Citi, accessed 02/23/24]

Citigroup Collected $475 Million In "Card Related Loan Fees" In Its FY 2023, While Making $9.2 Billion In Net Income.

In Its FY 2023, Citigroup Collected $475 Million In "Card Related Loan Fees" While Reporting $9.2 Billion In Net Income.

In Its FY 2023, Citigroup's Credit And Bank Card Income Included $475 Million In "Card-Related Loan Fees":

In millions of dollars	**2023**	2022	2021
Investment banking[1]	**$ 2,676**	$ 3,084	$ 6,007
Brokerage commissions[2]	**2,316**	2,546	3,236
Credit and bank card income			
Interchange fees	**11,996**	11,505	9,821
Card-related loan fees	**475**	589	695
Card rewards and partner payments[3]	**(12,513)**	(12,336)	(10,235)
Deposit-related fees[4]	**1,254**	1,274	1,331
Transactional service fees	**1,323**	1,169	1,098
Corporate finance[5]	**439**	458	709
Insurance distribution revenue	**321**	346	473
Insurance premiums	**97**	91	94
Loan servicing	**100**	103	98
Other	**421**	346	345
Total[6]	**$ 8,905**	$ 9,175	$ 13,672

[Citigroup Inc. SEC Form 10-K, 02/23/24]

In Its FY 2023, Citigroup Had A Net Income Of $9.2 Billion:

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per share amounts	**2023**	2022	2021	2020	2019
Net interest income	**$ 54,900**	$ 48,668	$ 42,494	$ 44,751	$ 48,128
Non-interest revenue	**23,562**	26,670	29,390	30,750	26,939
Revenues, net of interest expense	**$ 78,462**	$ 75,338	$ 71,884	$ 75,501	$ 75,067
Operating expenses	**56,366**	51,292	48,193	44,374	42,783
Provisions for credit losses and for benefits and claims	**9,186**	5,239	(3,778)	17,495	8,383
Income from continuing operations before income taxes	**$ 12,910**	$ 18,807	$ 27,469	$ 13,632	$ 23,901
Income taxes	**3,528**	3,642	5,451	2,525	4,430
Income from continuing operations	**$ 9,382**	$ 15,165	$ 22,018	$ 11,107	$ 19,471
Income (loss) from discontinued operations, net of taxes	**(1)**	(231)	7	(20)	(4)
Net income before attribution of noncontrolling interests	**$ 9,381**	$ 14,934	$ 22,025	$ 11,087	$ 19,467
Net income attributable to noncontrolling interests	**153**	89	73	40	66
Citigroup's net income	**$ 9,228**	$ 14,845	$ 21,952	$ 11,047	$ 19,401

[Citigroup Inc. SEC Form 10-K, 02/23/24]

Capital One

In Defending Its Credit Card Late Fees, Capital One Said It Believe[d] That Reasonable Late Fees [...] Play A Critical Role In Providing Appropriate Incentives For Customers To Use Credit Cards In A Responsible Manner," Later Comparing Them To Speeding Tickets Being Used To Disincentive Speeding.

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, Capital One Said It "Believe[d] That Reasonable Late Fees [...] Play A Critical Role In Providing Appropriate Incentives For Customers To Use Credit Cards In A Responsible Manner."

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, Andres Navarrete, Executive Vice President And Head Of External Affairs For Capital One, Wrote That His Bank "Believe[d] That Reasonable Late Fees [...] Play A Critical Role In Providing Appropriate Incentives For Customers To Use Credit Cards In A Responsible Manner." "With respect to credit cards in particular, we are committed to helping customers across the credit spectrum access safe and affordable credit that they understand and can use responsibly. Capital One's clear and simple products have some of the fewest fees in the industry. We believe that reasonable late fees, however, play a critical role in providing appropriate incentives for customers to use credit cards in a responsible manner." [Response Letters from Credit Card Issuers, 05/23/23]

Capital One Went On To Compare The Necessity Of Credit Card Late Fees To The Necessity Of Speeding Tickets, Writing, "Imagine How Ineffective They Would Be [In Reducing Speeding] If The Dollar Amount Of Speeding Tickets Was Reduced By Over 70%."

Navarrete Went On To Compare The Necessity Of Credit Card Late Fees To The Necessity Of Speeding Tickets, Writing, "Given The Principal Focus Of Speeding Tickets Is To Incentivize Customers To Obey Speed Limits, Imagine How Ineffective They Would Be If The Dollar Amount Of Speeding Tickets Was Reduced By Over 70%." "Consider something as commonplace as driving safety, where the risks are literally life and death. Our roads have speed limits based upon the design of the road and risks associated with certain locations. Even with the consequences of unsafe driving being well-known and readily apparent, they still remain too attenuated and abstract in the moment to be effective as compared to the more concrete risk of getting a ticket. That is why speeding tickets exist, and why they are viewed as necessary — they serve as an important mechanism to incentivize drivers to obey speed limits in order to avoid far greater consequences. Given the principal focus of speeding tickets is to incentivize customers to obey speed limits, imagine how ineffective they would be if the dollar amount of speeding tickets was reduced by over 70%. Put simply, if the risks associated with speeding are not sufficient to incentivize drivers to drive within speed limits, without tickets set at an adequate level, then the significant — but far less severe — risks of paying late will prove still less effective without an adequate late fee to incentivize on time payments." [Response Letters from Credit Card Issuers, 05/23/23]

January 2024: In Its FY 2023 Earnings Call, Capital One's Chairman And CEO Warned Of The Late Fee Rule's "Significant Impact" On Profits And Warned Of "Industry Litigation" Against It, While Stating That, "Obviously, The Late Fees Are An Important Thing" To The Company's Finances.

January 2024: In Its Q4 2023 Earnings Call, Capital One Chairman And CEO Richard Fairbank Said The CFPB's Late Fee Rule Would Have "A Significant Impact" On Its Performance While Warning Of "Industry Litigation" To Block Or Delay The Rule.

January 2024: In Its Q4 2023 Earnings Call, Capital One Chairman And CEO Richard Fairbank Said The Company's Annual Operating Efficiency Ratio For FY 2024 Would Be "Modestly Down," Due In Part To The "Impact Of The Proposed CFPB Late Fee Rule." "Richard Fairbank [...] For the full-year 2024, we expect annual operating efficiency ratio net of adjustments will be flat to modestly down compared to 2023. Our expectation includes the partial year impact of the proposed CFPB late fee rule, assuming that rule takes effect in October 2024." [Motley Fool, 01/25/24]

- **Richard D. Fairbank Is The Chairman And Chief Executive Officer Of Capital One Financial Corporation.** [Capital One, accessed 02/26/24]

Fairbank, While Noting That The CFPB's Late Fee Rule Would "Reduce Late Fees By Approximately 75%," Said, "We Expect There To Be Industry Litigation That Could Delay Or Block The Implementation Of The Rule." "Richard Fairbank [...] So the CFPB's late fee proposal as currently contemplated would reduce late fees by approximately 75%. While the CFPB's proposal has not been finalized, we expect the CFPB to publish a proposal soon. And once the CFPB publishes its final rule, we expect there to be industry litigation that could delay or block the implementation of the rule. This litigation will likely delay the implementation of the rule until at least the second half of this year and maybe longer." [Motley Fool, 01/25/24]

Fairbank Said The Proposed Rule Would Have "A Significant Impact To Our P&L," Referring To Capital One's Profit And Loss Statement. "Richard Fairbank [...] You saw we talked about an estimate of October. If the proposed rule is implemented, there will be a significant impact to our P&L in the near term relative to what our path would have been." [Motley Fool, 01/25/24]

- **"A Company's Statement Of Income Is Often Called Its Profit And Loss Statement (P&L)."** [Investopedia, accessed 02/26/24]

Fairbank Said, "We Have A Set Of Mitigating Actions That We're Working Through That We Believe Will Gradually Resolve This Impact, A Couple Of Years After The Rule Goes Into Effect," Including "Changes To Our Policies, Our Products, And Investment Choices." "Richard Fairbank [...] However, we have a set of mitigating actions that we're working through that we believe will gradually resolve this impact, a couple of years after the rule goes into effect. And these choices include changes to our policies, our products, and investment choices." [Motley Fool, 01/25/24]

January 2024: In Its FY 2023 Earnings Call, Fairbank Also Said, "Obviously, The Late Fees Are An Important Thing" To The Company's Finances And, "If We [Had] One Fee Left, I Think The Fee We Would Most Hang On To Is The Late Fee,"

January 2024: In Its FY 2023 Earnings Call, Capital One Chairman And CEO Richard Fairbank Also Said, "If We [Had] One Fee Left, I Think The Fee We Would Most Hang On To Is The Late Fee," Citing Its

"Very Important Role In The Deterrent Value To A Customer," Comparing It To A Speeding Ticket. "Richard Fairbank [...] But, you know, if we add one fee left, I think, you know, the fee we would most hang on to is the late fee because, to your point, it plays a very important role in the deterrent value to a consumer. And an analogy that we sometimes use is, you know, a speeding ticket. I think that, you know, if a speeding ticket were -- you know, let's say we had an $8 speeding ticket, I'm not sure that -- that, you know, our highways would -- would be quite as safe as they are now because if we're really trying to deter behavior that we think is, you know, really, you know, consequential for people, that really is the role of the fee." [Motley Fool, 01/25/24]

Young Said, "From A Financial Point Of View, Obviously, The Late Fees Are An Important Thing On The P&L." "Richard Fairbank [...] And it's something that we're just going to have to -- if this CFPB rule goes into effect, we're all going to experience together sort of this, you know, not controlled experiment, but we certainly -- mark us down for having a concern about that. But from a financial point of view, obviously, the, you know, late fees, you know, are -- are an important, you know, thing on the -- on the P&L." [Motley Fool, 01/25/24]

In Its FY 2023, Capital One Reported $5.7 Billion In Non-Interest Income From Its Domestic Card Business While It Reported A Net Income Of $4.9 Billion.

In Its FY 2023, Capital One Reported $5.7 Billion In Non-Interest Income From Its Domestic Card Business While It Reported A Total Of $1.7 Billion In Service Charges And Customer Related Fees.

In Its FY 2023, Capital One Reported $5.7 Billion In Non-Interest Income From Its Domestic Card Business, Up 6%, Or $5.4 Billion, From Its FY 2022:

(Dollars in millions, except as noted)	Year Ended December 31, 2023	2022	2023 vs. 2022
Domestic Card			
Earnings:			
Net interest income	**$ 18,610**	$ 15,616	19%
Non-interest income	**5,672**	5,363	6
Total net revenue	**24,282**	20,979	16
Provision for credit losses	**8,268**	4,020	106
Non-interest expense	**11,648**	10,827	8
Income from continuing operations before income taxes	**4,366**	6,132	(29)
Income tax provision	**1,030**	1,453	(29)
Income from continuing operations, net of tax [...]	**$ 3,336**	$ 4,679	(29)

[Capital One Financial Corporation, 12/31/23]

In Its FY 2023, Capital One Collected A Total Of $1.7 Billion In Service Charges And Customer-Related Fees:

(Dollars in millions, except per share-related data) [...]	Year Ended December 31, 2023	2022	2021
Non-interest income:			
Interchange fees, net	**4,793**	4,606	3,860
Service charges and other customer-related fees	**1,667**	1,625	1,578
Net securities gains (losses)	**(34)**	(9)	2
Other	**1,120**	914	824
Total non-interest income [...]	**7,546**	7,136	6,264

[Capital One Financial Corporation SEC Form 10-K, 02/22/24]

In Its FY 2023, Capital One Reported A Net Income Of $4.9 Billion.

In Its FY 2023, Capital One Had A Net Income Of $4.9 Billion. "We reported net income of $4.9 billion ($11.95 per diluted common share) on total net revenue of $36.8 billion for 2023. In comparison, we reported net income of $7.4 billion ($17.91 per diluted common share) on total net revenue of $34.3 billion for 2022 and net income of $12.4 billion ($26.94 per diluted common share) on total net revenue of $30.4 billion for 2021." [Capital One Financial Corporation SEC Form 10-K, 02/22/24]

Bank of America

In Defending Its Credit Card Late Fees, Bank Of America Claimed "It Is Important That Late Fees Be Set At A Rate That Encourages On-Time Payments," As "Changes [To Credit Card Late Fees] May Have Unintended Consequences For All Customers, Including Those Who Have Lower Incomes Or Who May Be Marginally Creditworthy."

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, Bank Of America Wrote That "It Is Important That Late Fees Be Set At A Rate That Encourages On-Time Payments" As "Changes [To Credit Card Late Fees] May Have Unintended Consequences For All Customers, Including Those Who Have Lower Incomes Or Who May Be Marginally Creditworthy."

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, James Carlisle, Senior Vice President Of Public Policy & Federal Government Relations For Bank Of America, Wrote That "It Is Important That Late Fees Be Set At A Rate That Encourages On-Time Payments" As "Changes [To Credit Card Late Fees] May Have Unintended Consequences For All Customers, Including Those Who Have Lower Incomes Or Who May Be Marginally Creditworthy." "With respect to the CFPB's rulemaking, we believe changes to the late fee safe harbor should be carefully considered and reflective of input from industry. Changes may have unintended consequences for all customers, including those who have lower incomes or who may be marginally creditworthy. It is important that late fees be set at a rate that encourages on-time payments. Paying on-time ultimately helps consumers, both in improving their risk profile in credit reports and internal bank risk assessments. The proposed rule would benefit greatly from continued discussion and debate." [Response Letters from Credit Card Issuers, 05/23/23]

In Its FY 2023, Bank Of America's Noninterest Card Income, Which Includes Late Fees, Was $5.3 Billion, While Its FY 2023 Net Income Was $26.5 Billion.

In Its FY 2023, Bank Of America's Noninterest Card Income, Which Includes Late Fees Grew By $95 Million To $5.3 Billion.

In Its FY 2023, Bank Of America Collected $5.3 Billion In Noninterest Card Income Within Its Consumer Banking Division, Which Includes Late Fees, $95 Million More Than It Did In FY 2022:

Noninterest Income by Business Segment and All Other

	Total Corporation			Consumer Banking			Global Wealth & Investment Management		
(Dollars in millions)	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021
Fees and commissions:									
Card income									
Interchange fees	**$ 3,983**	$ 4,096	$ 4,560	**$ 3,157**	$ 3,239	$ 3,597	**$ (12)**	$ 20	$ 43
Other card income	**2,071**	1,987	1,658	**2,107**	1,930	1,575	**57**	50	42
Total card income	**6,054**	6,083	6,218	**5,264**	5,169	5,172	**45**	70	85

[Bank of America Corporation SEC Form 10-K, 02/20/24]

- **Bank Of America Has Disclosed That Its Noninterest Card Income Includes Late Fees, Among Other Fees And Charges.** "Card income includes annual, late and over-limit fees as well as interchange, cash advances and other miscellaneous items from credit and debit card transactions and from processing card transactions for merchants. Card income is presented net of direct costs." [Bank of America Corporation SEC Form 10-K, 02/20/24]

Bank Of America's FY 2023 Net Income Was $26.5 Billion.

In Its FY 2023, Bank Of America's Net Income Was $26.5 Billion. "Net income was $26.5 billion, or $3.08 per diluted share in 2023 compared to $27.5 billion, or $3.19 per diluted share in 2022." [Bank of America Corporation SEC Form 10-K, 02/20/24]

Discover

In Defending Its Credit Card Late Fees, Discover Claimed "Meaningful Late Fees Create An Incentive And Urgency To Pay On Time," While "Tools Such As Due Date Alerts And Voluntary Automatic Payments Alone Are Insufficient To Fully Encourage On-Time Payments."

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, Discover Wrote That "Meaningful Late Fees Create An Incentive And Urgency To Pay On Time" And "Tools Such As Due Date Alerts And Voluntary Automatic Payments Alone Are Insufficient To Fully Encourage On-Time Payments."

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The

Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, Richard Santoro, Vice President And Head Of Government Relations For Discover, Wrote That "Tools Such As Due Date Alerts And Voluntary Automatic Payments Alone Are Insufficient To Fully Encourage On-Time Payments" And "Meaningful Late Fees Create An Incentive And Urgency To Pay On Time." "Regarding arguments that this rule will hurt those it tries to help, on-time payments help both consumers and card issuers manage their respective finances. That is one reason we offer free convenient options that promote on-time payments and financial well-being. However, tools such as due date alerts and voluntary automatic payments alone are insufficient to fully encourage on-time payments. Meaningful late fees create an incentive and urgency to pay on time thereby avoiding more detrimental impacts and costs such as interest accrual, higher debt, delinquency, or default." [Response Letters from Credit Card Issuers, 05/23/23]

In Its FY 2023 Annual Report, Discover Claimed That The CFPB's Late Fee Rule "Could Result In Increased Cardholder Delinquencies And Credit Losses" And Complained That Regulators May "Limit The Fees We Charge For Services."

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February 2024: In Its FY 2023 Annual Report, Discover Claimed That The CFPB's Late Fee Rule "Could Result In Increased Cardholder Delinquencies And Credit Losses." "On February 1, 2023, the CFPB proposed a rule to alter Regulation Z's late fee standards that includes caps on fees for late payments, which could result in increased cardholder delinquencies and credit losses." [Discover Financial Services SEC Form 10-K, 02/23/24]

In Its FY 2023 Annual Report, Discover Complained That Financial Regulators Could "Limit The Fees We Charge For Services" And That Increased Regulations "Could Adversely Impact Our Business, Results Of Operations And Financial Condition."

In Its FY 2023 Annual Report, Discover Complained That Increased Regulation Could "Limit The Fees We Charge For Services" Which "Could Adversely Impact Our Business, Results Of Operations And Financial Condition." "Financial regulatory developments have had an impact and will continue to significantly impact the environment for the financial services industry, which could adversely impact our business, results of operations and financial condition. [...] Regulatory and legislative developments, findings and actions have had and could continue to have a negative impact on our business strategies or require us to: limit, exit or modify our business practices and product offerings; restructure our products in unanticipated ways; invest more management time and resources in compliance efforts; limit the fees we charge for services;

impact the value of our assets; or limit our ability to pursue certain innovations and business opportunities and obtain related required regulatory approvals." [Discover Financial Services SEC Form 10-K, 02/23/24]

In Its FY 2023 Annual Report, Discover Disclosed That "Enhanced Regulatory Requirements, Potential Supervisory Findings, Or Enforcement Actions And Ratings" Could Negatively Affect Its Business, Claiming That "The Additional Expense, Time And Resources Needed To Comply With Ongoing Or New Regulatory Requirements May Adversely Impact The Cost Of And Access To Credit For Consumers." "Enhanced regulatory requirements, potential supervisory findings, or enforcement actions and ratings could negatively impact our ability to implement certain consumer-focused enhancements to product features and functionality and business strategies, limit or change our business practices, limit our consumer product offerings, cause us to invest more management time and resources in compliance efforts or limit our ability to obtain related required regulatory approvals. The additional expense, time and resources needed to comply with ongoing or new regulatory requirements may adversely impact the cost of and access to credit for consumers and results of business operations." [Discover Financial Services SEC Form 10-K, 02/23/24]

In Its FY 2023, Discover Had A Net Income Of $2.9 Billion.

In Its FY 2023, Discover Financial Services Had A Net Income Of $2.9 Billion, While Its "Other Income" Increased By 20% To $2.8 Billion.

In Its FY 2023, Discover Financial Services Had A Net Income Of $2.9 Billion—That Same Year, Discover's "Other Income" Increased By 20% To $2.8 Billion:

	For the Years Ended December 31,			2023 vs. 2022 Increase (Decrease)		2022 vs. 2021 Increase (Decrease)	
	2023	2022	2021	$	%	$	%
Interest income	$ 17,845	$ 12,864	$ 10,651	$ 4,981	39 %	$ 2,213	21 %
Interest expense	4,746	1,865	1,134	2,881	154 %	731	64 %
Net interest income	13,099	10,999	9,517	2,100	19 %	1,482	16 %
Provision for credit losses	6,018	2,359	218	3,659	155 %	2,141	982 %
Net interest income after provision for credit losses	7,081	8,640	9,299	(1,559)	(18)%	(659)	(7)%
Other income	2,761	2,294	2,534	467	20 %	(240)	(9)%
Other expense	6,016	5,216	4,805	800	15 %	411	9 %
Income before income taxes	3,826	5,718	7,028	(1,892)	(33)%	(1,310)	(19)%
Income tax expense	886	1,344	1,606	(458)	(34)%	(262)	(16)%
Net income	$ 2,940	$ 4,374	$ 5,422	$ (1,434)	(33)%	$ (1,048)	(19)%

[Discover Financial Services SEC Form 10-K, 02/23/24]

- **Discover Financial Services' "Other Income" Includes "Miscellaneous Revenue Items," Among "Gains And Losses On Equity Investments, Sales-Based Royalty Revenues Earned By Diners Club, Merchant Fees, Revenues From Network Partners."** "Other income includes gains and losses on equity investments, sales-based royalty revenues earned by Diners Club, merchant fees, revenues from network partners and other miscellaneous revenue items. Unrealized gains and losses on equity investments carried at fair value are recognized quarterly based on changes in their respective fair values. Sales-based royalty revenues are recognized as the related sales are reported by Diners franchisees. All remaining items of other income are recognized as the related performance obligations are satisfied." [Discover Financial Services SEC Form 10-K, 02/23/24]

U.S. Bank

In Defending Its Credit Card Late Fees, U.S. Bank Claimed The CFPB Rule Reducing These Fees Would Negatively Impact Consumers By "Reduc[ing] Incentives For Cardholders To Pay On Time," Which Could Lead To "Lower Credit Scores, Increased Cost Of Credit And Limited Credit Availability In The Future."

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, U.S. Bank Wrote That Lowering Credit Card Late Fees Would Negatively Impact Consumers By "Reduc[ing] Incentives For Cardholders To Pay On Time," Which Could Lead To "Lower Credit Scores, Increased Cost Of Credit And Limited Credit Availability In The Future."

May 2023: Senator Elizabeth Warren (D-MA), Alongside Senators Brown (D-OH), Reed (D-RI), Blumenthal (D-CT), Baldwin (D-WI), Welch (D-VT), And Sanders (I-VT) Sent Letters To The Ten Largest Credit Issuers "Requesting Information On Their Credit Card Late Fee Practices Following The Consumer Financial Protection Bureau's (CFPB) Proposed Rule To Limit Exorbitant Late Fees And The Banking Lobby's Strong Pushback Against This Proposed Rule." "U.S. Senator Elizabeth Warren (D-Mass.), along with Senators Sherrod Brown (D-Ohio), Chair of the Senate Banking, Housing, and Urban Affairs Committee, Jack Reed (D-R.I.), Richard Blumenthal (D-Conn.), Tammy Baldwin (D-Wis.), Peter Welch (D-Vt.), and Bernie Sanders (I-Vt.), sent a letter to ten of the largest credit card issuers – PNC, JPMorgan Chase, Capital One, Citigroup, Discover, Bank of America, American Express, Wells Fargo, US Bancorp, and USAA – requesting information on their credit card late fee practices following the Consumer Financial Protection Bureau's (CFPB) proposed rule to limit exorbitant late fees and the banking lobby's strong pushback against this proposed rule." [Office of Senator Elizabeth Warren, 05/09/23]

In A Response Letter To The Senators, Shailesh Kotwal, Vice Chair Of Payment Services For U.S. Bank, Wrote That U.S. Bank Believed Cardholders Would Be Harmed By Lower Late Fees As The Bank Would Be Required To "Allocate The Expense [Of Collecting Delinquent Accounts] To All Cardholders Which Could Impact The Price And Availability Of Credit For Those Customers." "U.S. Bank believes many of our current cardholders will be harmed if the safe harbor is reduced to $8. Our inability to cover the costs of collecting delinquent accounts will require us to allocate the expense to all cardholders which could impact the price and availability of credit for those customers." [Response Letters from Credit Card Issuers, 05/23/23]

U.S. Bank Also Believed Decreasing Credit Card Late Fees "Reduces Incentives For Cardholders To Pay On Time," Which Could Lead To "Lower Credit Scores, Increased Cost Of Credit And Limited Credit Availability In The Future." "Imposing a significantly reduced safe harbor fee reduces incentives for cardholders to pay on time, reducing the benefits of credit cards to build a better credit history which may result in lower credit scores, increased cost of credit and limited credit availability in the future." [Response Letters from Credit Card Issuers, 05/23/23]

In Its FY 2023 Annual Report, U.S. Bank Identified The Late Fee Rule As A "Regulatory And Legal Risk" That Could "Reduce The Company's Revenues."

In Its FY 2023 Annual Report, U.S. Bank Included The CFPB's Late Fee Rule Among Its "Regulatory And Legal Risk[s]," Claiming The Rule Could "Reduce The Company's Revenues" Or Affect Its "Ability Or Willingness" To Offer Services.

In The "Regulatory And Legal Risk" Section Of Its FY 2023 Annual Report, U.S. Bank Disclosed That The CFPB's Late Fee Rule Could "Reduce The Company's Revenues," "Affect The Company's Ability Or Willingness To Provide Certain Products Or Services," And "Necessitate Changes To The Company's Business Practices." "Regulatory and Legal Risk [...] The Company is subject to extensive and evolving government regulation and supervision, which can increase the cost of doing business, limit the Company's ability to make investments and generate revenue, and lead to costly enforcement actions [...] Similarly, the CFPB launched an initiative to reduce the amounts and types of fees financial institutions may charge, including by issuing a proposed rule that would significantly reduce the permissible amount of credit card late fees. These and other changes could affect the Company's ability or willingness to provide certain products or services, necessitate changes to the Company's business practices or reduce the Company's revenues." [U.S. Bancorp SEC Form 10-K, 02/20/24]

In Its FY 2023 Annual Report, U.S. Bank Complained That The CFPB "Has Affected And Will Continue To Affect" The Bank, Its Subsidiaries, And The Wider Financial Industry.

In Its FY 2023 Annual Report, U.S. Bank Disclosed, "The CFPB's Rulemaking, Examination And Enforcement Authority Has Affected And Will Continue To Affect Financial Institutions That Provide Consumer Financial Products And Services, Including The Company, USBNA And The Company's Other Subsidiaries." "USBNA and its subsidiaries are subject to supervision and regulation by the CFPB with respect to federal consumer laws. The CFPB has undertaken numerous rule-making and other initiatives, including launching an initiative to reduce the amounts and types of fees financial institutions may charge, including by recently proposing a rule that would significantly reduce the permissible amount of credit card late fees, issuing informal guidance and taking enforcement actions against certain financial institutions. The CFPB's rulemaking, examination and enforcement authority has affected and will continue to affect financial institutions that provide consumer financial products and services, including the Company, USBNA and the Company's other subsidiaries. These regulatory activities may limit the types of financial services and products the Company may offer, which in turn may reduce the Company's revenues." [U.S. Bancorp SEC Form 10-K, 02/20/24]

In Its FY 2023, U.S. Bank's Card Revenue Climbed 7.8% To $1.6 Billion, While It Had A Net Income Of $5.5 Billion And Enjoyed A "Record Net Revenue Of $28.1 Billion."

U.S. Bank's Card Revenue Climbed 7.8% To $1.63 Billion In Its FY 2023.

In Its FY 2023, U.S. Bank's Card Revenue Climbed 7.8% To $1.63 Billion:

NONINTEREST INCOME								
($ in millions)				Percent Change				
	4Q 2023	3Q 2023	4Q 2022	4Q23 vs 3Q23	4Q23 vs 4Q22	Full Year 2023	Full Year 2022	Percent Change
Card revenue	$436	$412	$384	5.8	13.5	$1,630	$1,512	7.8

[U.S. Bank, 01/17/24]

- **U.S. Bank's Card Revenue Includes "Transaction And Account Management Fees."** "Card revenue includes interchange from credit, debit and stored-value cards processed through card association networks, annual fees, and other transaction and account management fees. Interchange rates are generally set by the card associations and based on purchase volumes and other factors. The Company records interchange as services are provided. Transaction and account management fees are recognized as services are provided, except for annual fees which are recognized over the applicable period. Costs for rewards programs and certain payments to partners and card associations are also recorded within card revenue when services are provided. The Company predominately records card revenue within the Payment Services line of business." [U.S. Bancorp SEC Form 10-K, 02/20/24]

In Its FY 2023, U.S. Bank's Net Income Was $5.5 Billion And It Had A "Record Net Revenue Of $28.1 Billion."

In Its FY 2023, U.S. Bank's Net Income Was $5.49 Billion:

INCOME STATEMENT HIGHLIGHTS ($ in millions, except per share data)	Full Year 2023	Full Year 2022	Percent Change
Net interest income	$17,396	$14,728	18.1
Taxable-equivalent adjustment	131	118	11.0
Net interest income (taxable-equivalent basis)	17,527	14,846	18.1
Noninterest income	10,617	9,456	12.3
Total net revenue	28,144	24,302	15.8
Noninterest expense	18,873	14,906	26.6
Income before provision and income taxes	9,271	9,396	(1.3)
Provision for credit losses	2,275	1,977	15.1
Income before taxes	6,996	7,419	(5.7)
Income taxes and taxable-equivalent adjustment	1,538	1,581	(2.7)
Net income	5,458	5,838	(6.5)

[U.S. Bank, 01/17/24]

In Its FY 2023, U.S. Bank Had A "Record Net Revenue Of $28.1 Billion. "Full year record net revenue of $28.1 billion, as reported and $28.3 billion, as adjusted for notable items" [U.S. Bank, 01/17/24]

Wells Fargo

In Defending Its Credit Card Late Fees, Wells Fargo Claimed Late Fees Were An "Effective Way To Incentivize Customers To Make Their Payments On Time" While Admitting They Made $315 Million From Credit Card Late Fees In 2022, Up From $265 Million In 2021.

After Receiving A Senate Request For Information On Its Credit Card Late Fee Practices Following Introduction Of The CFPB's Proposed Rule, Wells Fargo Wrote That Late Fees Were An "Effective Way To Incentivize Customers To Make Their Payments On Time" While Admitting They Made $315 Million From Credit Card Late Fees In 2022, Up From $265 Million In 2021.

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In A Response Letter To The Senators, Brian Smith, Head Of Government Relations & Public Policy For Wells Fargo, Wrote That Wells Fargo Believed Late Fees Help Offset Collections While Being An "Effective Way To Incentivize Customers To Make Their Payments On Time." "Late fees not only act as an offset of our costs related to collections from customers who have missed payments, but also are an effective way to incentivize customers to make their payments on time." [Response Letters from Credit Card Issuers, 05/23/23]

Answering A Question From The Senators Regarding Credit Card Late Fee Revenue, Smith Wrote That Wells Fargo Made $315 Million From Credit Card Late Fees In 2022, Up From $265 Million In 2021, With Late Fee Revenue Exceeding The Costs Of Credit Card Collections Both Years. "The approximate annual amounts Well Fargo collected for late fees and costs related to credit card collections over the past two years were, respectively, $315/$266 million (2022) and $265/$253 million (2021). Costs of collections include expenses such as debt collection, legal costs, and costs of support functions (e.g., information technology, office space, and human resources)." [Response Letters from Credit Card Issuers, 05/23/23]

In Its FY 2023 Report, Wells Fargo Warned That CFPB Rules On Credit Cards And Other Products Could Result In "Increased Regulatory Compliance Costs," "Reduc[ing] [Its] Revenue And Earnings."

In Its FY 2023 Annual Report, Wells Fargo Warned That "Increased Regulatory Compliance Costs" Could Arise From CFPB Rules On Credit Cards And Other Consumer Financial Products.

February 2024: While Warning Of The Risk Of "Increased Regulatory Compliance Costs" In Its FY 2023 Annual Report, Wells Fargo Warned, "The CFPB Has Issued And Proposed A Number Of Rules Impacting Consumer Financial Products, Including Rules Impacting Residential Mortgage Lending, Credit Cards, And Other Financial Products And Banking Related Activities." "The U.S. financial services industry is subject to significant regulation and regulatory oversight initiatives. This regulation and oversight may continue to impact how U.S. financial services companies conduct business and may continue to result in increased regulatory compliance costs. The following highlights the more significant regulations and regulatory oversight initiatives that have affected or may affect our business. [...] The CFPB has issued and proposed a number of rules impacting consumer financial products, including rules impacting residential mortgage lending, credit cards, and other financial products and banking related activities, as well as the fees that may be charged for certain banking products and services. In addition to these rulemaking activities, the CFPB is continuing its ongoing supervisory examination activities of the financial services industry with respect to a number of consumer businesses and products, including mortgage lending and servicing, fair lending requirements, and auto finance." [Wells Fargo SEC Form 10-K Exhibit 13, accessed 02/20/24]

In Its FY 2023 Annual Report, Wells Fargo Warned That "Regulatory Risks" Could "Reduce [Its] Revenue And Earnings."

While Warning Of "Regulatory Risks" In Its FY 2023 Annual Report, Wells Fargo Disclosed That Regulation "Could Require Us To Change Certain Of Our Business Practices, Reduce Our Revenue And Earnings, Impose Additional Costs On Us Or Otherwise Adversely Affect Our Business Operations." "REGULATORY RISKS Current and future legislation and/or regulation could require us to change certain of our business practices, reduce our revenue and earnings, impose additional costs on us or otherwise adversely affect our business operations and/or competitive position." [Wells Fargo SEC Form 10-K Exhibit 13, accessed 02/20/24]

In Its FY 2023, Wells Fargo Took $4.3 Billion In Card Fees While Its Net Income Soared By 40% To $19.1 Billion.

In Its FY 2023, Wells Fargo Took $4.3 Billion In Card Fees.

In Its FY 2023, Wells Fargo Took In $4.3 Billion In Card Fees:

	Year ended		
(in millions, except per share amounts)	**Dec 31, 2023**	Dec 31, 2022	% Change
	[...]		
Card fees	**4,256**	4,355	(2)

[Wells Fargo & Company, accessed 02/26/24]

Wells Fargo's Net Income Soared By 40% To $19.1 Billion In Its FY 2023.

In Its FY 2023, Wells Fargo's Net Income Grew By 40% To $19.1 Billion:

Wells Fargo net income	**$ 19,142**	13,677	40 %

[Wells Fargo & Company, accessed 02/26/24]