

# JPMORGAN CHASE

Federal taxpayer bailout funds received: <sup>*</sup>	\$100.7 billion <sup>1</sup>
Profits for the years 1996-2010:	\$153.5 billion <sup>2</sup>
Profits since bailout (2009-2010):	\$29.1 billion <sup>3</sup>
2010 bank account fees:	\$4.7 billion <sup>4</sup>
2010 credit card fee income:	\$5.9 billion <sup>5</sup>
Chase bank teller wage: <sup>†</sup>	\$10.77/hour (\$22,391/year) <sup>6</sup>
2009 CEO Jamie Dimon pay: <sup>‡</sup>	\$17.5 million <sup>7</sup>
Projected annual dividend for CEO Jamie Dimon:	\$6 million <sup>8</sup>
2010 bonuses and compensation:	\$28.4 billion <sup>9</sup>
Bonuses and compensation for top 5 execs last 10 years: <sup>§</sup>	\$804.2 million <sup>10</sup>
Homes in foreclosure in lending or servicing portfolio:	\$74.0 billion <sup>11</sup>
Offshore subsidiaries in tax havens: <sup>**</sup>	53 <sup>12</sup>
Lobbying expenses since bailout (2009-2010):	\$15.7 million <sup>13</sup>
Political contributions in 2008 & 2010 federal elections: <sup>††</sup>	\$9.7 million <sup>14</sup>

## FORECLOSURE CRISIS

- **Foreclosure Leader.** As of June 2010, JPMorgan Chase had \$19.5 billion worth of foreclosed homes on its books—more than any other bank in the country. Another \$54.5 billion of mortgages that the bank services for other lenders was also in foreclosure.<sup>15</sup>
- **Foreclosure Fraud.** JPMorgan Chase employees admitted to signing 18,000 foreclosure documents per month without reviewing the information in each file to ensure that the bank had a legal right to proceed with foreclosure.<sup>16</sup> The bank was forced to stop foreclosures in 41 states as a result of the robo-signing scandal,<sup>17</sup> which also led Attorneys General in all 50 states to launch investigations into foreclosure fraud.
- **Subprime Lending.** JPMorgan Chase had a hand in the worst of the subprime lending excesses, providing financing to the nation's two largest subprime lenders, Countrywide and Ameriquest, which allowed them to originate subprime loans. JPMorgan Chase also owned a major subprime lender and has acquired two banks that had large subprime operations. Together, these firms issued over \$295.3 billion in subprime loans from 2005-2007.<sup>18</sup>
- **Loan Modifications.** Despite large incentives from taxpayers, as of January 2011, JPMorgan Chase had given permanent mortgage modifications to only 42% of its homeowners who are still eligible for the Obama Administration's Home Affordable Modification Program (HAMP). The bank had rejected 354,822 families from HAMP, almost as many as Bank of America (193,231) and Wells Fargo (172,278) combined.<sup>19</sup>
- **Exploiting Military Members.** JPMorgan Chase overcharged 4,500 military members on their mortgages and improperly foreclosed on 18 of them. Once the issue came under Congressional scrutiny, the bank announced it would take steps to correct the problems.<sup>20</sup>
- **Predatory Lending.** From 2006 through 2009, JPMorgan Chase (and mortgage lenders it has since acquired) was more than twice as likely to put African-American and Latino borrowers into higher-cost, subprime loans than white borrowers. Furthermore, while mortgage lending to white borrowers only dropped 11% between 2006 and 2009, it dropped 51% for African-American borrowers and 63% for Latinos.<sup>21</sup>

<sup>\*</sup> Includes bailouts that the bank has paid back.

<sup>†</sup> 25<sup>th</sup> percentile is \$9.98 per hour and 75<sup>th</sup> percentile is \$11.55 per hour. \$10.77 per hour is average of the two.

<sup>‡</sup> 2010 not yet available

<sup>§</sup> 2000-2009; 2010 not yet available

<sup>\*\*</sup> Includes 50 JPMorgan Chase subsidiaries and 3 Washington Mutual subsidiaries.

<sup>††</sup> Includes contributions made by the bank's political action committee and its employees in the 2008 and 2010 federal election cycles. Includes JPMorgan Chase and Bear Stearns.

## PUBLIC BUDGET CRISES

- **Interest rate swaps.** JPMorgan Chase had to pay a \$722 million fine to settle charges that it illegally paid off officials in Jefferson County, Alabama to secure interest rate swap deals that drove the county to the brink of bankruptcy.<sup>22</sup> Across the country, the bank is gouging state and local governments for more than \$200 million a year on swap deals.<sup>23</sup> JPMorgan Chase sold governments these deals as a way to save money, but instead they have become a goldmine for the bank following the bailout, which is able to rake in millions at taxpayer expense.
- **Letters of credit.** JPMorgan Chase is squeezing state and local governments by making it tougher for them to renew letters of credit, a form of bond insurance that many cities and states need to keep bond interest rates from spiking up.<sup>24</sup>
- **Predatory loans to government.** JPMorgan Chase is making a profit by lending taxpayers their own money. Even though the bank has access to ultra-cheap loans from the Federal Reserve, speculated to be as low as 0.5%, JPMorgan Chase is manipulating government budget processes and charging local and state governments much higher interest rates. For instance, when Philadelphia was in a budget pinch in fall 2009, instead of passing the 0.5% interest rate onto taxpayers, the bank offered the city a 3% bridge loan that would reset to 8% if it wasn't paid off in a few months.<sup>25</sup>
- **Auction-rate securities.** After promoting auction-rate securities to local and state government borrowers as a low-risk, low-cost source of financing, JPMorgan Chase and other banks pulled their support for the market in early 2008, causing auctions to fail and leading to interest rates as high as 20% for government borrowers. Then the banks charged local and state governments at least \$1 billion in fees to convert their auction-rate bonds to safer forms of debt, "enriching JPMorgan Chase & Co., Goldman Sachs Group Inc. and the rest of Wall Street that let the market fall apart," according to Bloomberg.<sup>26</sup>

## JOBS CRISIS

- **Small business lending.** Even though the bailout was intended to get banks to start lending again to stimulate the economy and spur job creation, JPMorgan Chase's bailout did not translate into new credit for small businesses. In fact, the bank made 18,699 loans through the Small Business Administration's flagship 7(a) program in the two years before the bailout, and made only 4,636 loans into the two years since—a 75% decline. Meanwhile, the bank had \$1.48 billion in outstanding insider loans to bank directors and their companies as of March 2009, more than any other bank.<sup>27</sup>
- **Unemployment debit cards.** Several states use JPMorgan Chase debit cards to pay out unemployment and/or TANF benefits. The bank takes advantage of Americans who have fallen on hard times by skimming fees off of their accounts. For example, in Michigan benefit recipients have to pay \$4 if they go to a bank teller to withdraw money from their accounts more than once per pay period or \$1 if they check their balance more than once per period.<sup>28</sup>

## FEES

- **ATM fees.** JPMorgan Chase is leading the industry in another round of ATM fee hikes. The bank now charges noncustomers \$5 for ATM withdrawals in Illinois and \$4 in Texas. The industry standard is \$3.<sup>29</sup> When Bank of America raised its ATM fees in 2007, it set off a new trend in the industry as other banks followed suit.<sup>30</sup>

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  - 2 Capital IQ.
  - 3 Capital IQ.
  - 4 [http://www.ffiec.gov/nicpubweb/NICDataCache/FRY9C/FRY9C\\_1039502\\_20101231.PDF](http://www.ffiec.gov/nicpubweb/NICDataCache/FRY9C/FRY9C_1039502_20101231.PDF), Item 5(b), Service Charges on Deposits.
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  - 24 Based on SEIU analysis of Comprehensive Annual Financial Reports of more than 75 public entities across the country.
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