



March 16, 2023

This month, Congress exercised its powers under the Congressional Review Act to disapprove of the Department of Labor Rule relating to “Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights.” Yet again, President Biden put his political agenda above the wellbeing and individual freedoms of hardworking Americans. **We as freedom loving states can work together and leverage our state pension funds to force change in how major asset managers invest the money of hardworking Americans, ensuring corporations are focused on maximizing shareholder value, rather than the proliferation of woke ideology.**

In response to Congress taking action to keep politics out of Americans’ retirement funds, President Biden threatened to veto this measure, which puts the pensions of thousands of hardworking Americans at risk to the radical environmental, social, and corporate governance (ESG) movement, rather than prioritizing investment decisions on the highest rate of return. Retirees, already suffering from the reckless fiscal policies of the Biden Administration, will continue to experience diminished returns on the investment of their hard-earned money while the corporate elite continue to use their economic power to impose policies on the country that they could not achieve at the ballot box.

The proliferation of ESG throughout America is a direct threat to the American economy, individual economic freedom, and our way of life, putting investment decisions in the hands of the woke mob to bypass the ballot box and inject political ideology into investment decisions, corporate governance, and the everyday economy.

To protect individuals from the ESG movement that threatens the vitality of the American economy and Americans’ economic freedom, we agree to lead state-level efforts, including:

- I. Protecting taxpayers from ESG influences across state systems: Among other actions, this may include blocking the use of ESG in all investment decisions at the state and local level, ensuring that only financial factors are considered to maximize the return on investment, protecting retirees and taxpayers alike. This may also include eliminating consideration of ESG factors by state and local governments when issuing bonds or prohibiting state fund managers from considering ESG factors when investing taxpayer money.
- II. Protecting citizens from ESG influences in the financial sector: Among other actions, this may include banning the financial sector from considering so called “Social Credit Scores” in banking and lending practices aimed to prevent citizens from obtaining financial services like loans, lines of credit, and bank accounts. This may also include stopping financial institutions

from discriminating against customers for their religious, political, or social beliefs, such as owning a firearm, securing the border, or increasing our energy independence.

As Governors, we are committed to protecting the interests of our constituents and will keep fighting the Administration's decision to jeopardize retirement savings for millions of Americans to promote far left priorities.

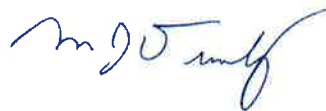
Signatories:



Governor Ron DeSantis
State of Florida



Governor Kay Ivey
State of Alabama



Governor Mike Dunleavy
State of Alaska



Governor Sarah Sanders
State of Arkansas



Governor Brian Kemp
State of Georgia



Governor Brad Little
State of Idaho



Governor Kim Reynolds
State of Iowa



Governor Tate Reeves
State of Mississippi



Governor Mike Parson
State of Missouri



Governor Greg Gianforte
State of Montana



Governor Jim Pillen
State of Nebraska



Governor Chris Sununu
State of New Hampshire



Governor Doug Burgum
State of North Dakota



Governor Kevin Stitt
State of Oklahoma



Governor Kristi Noem
State of South Dakota



Governor Bill Lee
State of Tennessee



Governor Spencer Cox
State of Utah



Governor Jim Justice
State of West Virginia



Governor Mark Gordon
State of Wyoming



March 23, 2023

Mr. James Dimon
Chairman and CEO
J.P. Morgan Chase & Co.
383 Madison Avenue
New York, NY 10179-0001

Dear Mr. Dimon:

As state financial officers responsible for public funds that include ownership in J.P. Morgan Chase, we write to convey our concern that the bank is engaged in what appears to be politically motivated de-banking of certain industries, individuals, and groups. In light of this concern, we urge Chase to immediately take steps to identify and address internal drivers of political or anti-religious bias that could undermine its fiduciary obligations and impair the freedom of its customers to access financial services without fear of discrimination.

First, J.P. Morgan Chase has demonstrated an apparent pattern of political bias in numerous key policy and operational decisions. Several states have previously raised concerns regarding the possibility that the bank is moving to severely limit business relationships with the fossil fuel industry.¹ While you indicated before Congress that defunding fossil fuels would be “the road to hell for America,”² Chase remains a member of the Net-Zero Banking Alliance which seeks to, as part of its core mission, “dramatically (reduce) their (member banks) carbon financing and investment activities.”³ In effect, this entails limiting fossil fuel producers’ access to capital for reasons unrelated or even contrary to the bank’s fiduciary duty to shareholders.

¹ Matt Frey, [Treasurer Allison Ball Announces List of Restricted Financial Companies](#), Kentucky.gov (Jan. 3, 2023); Steven Mufson, [Republicans threaten Wall Street over climate positions](#), The Washington Post (Jul. 12, 2022, 3:21 pm).

² Mike Scott, [Reality bites as finance firms row back on their climate pledges](#), Reuters (Dec. 20, 2022, 6:08 am)

³ Elizabeth Dilts Marshall, [Top fossil fuel lender JPMorgan joins UN climate action finance plan](#), Reuters (Oct. 8, 2021, 8:23 pm).

We are similarly concerned that the bank's apparent move to discriminate against politically disfavored industries is spilling over into its other activities. Recently, Chase closed the National Committee for Religious Freedom's (NCRF) account without explanation.⁴ After repeated requests to reinstate the account, Chase informed NCRF that it would only consider doing so if the non-profit agreed to disclose detailed information about its donors and the criteria used to decide which political candidates it supports.⁵

This is not the first time Chase has engaged in questionable incidents of de-banking. In 2021, WePay, a subsidiary of Chase, denied ticket payment processing services for a mainstream republican event hosted by the non-profit, Defense of Liberty.⁶ As justification, WePay cited a policy that barred payment processing services in connection with "hate . . . racial intolerance . . . or items or activities that encourage, promote, facilitate, or instruct others regarding the same." Such vague and ambiguous terms can easily be used to hide viewpoint-based discrimination.

There are other similar cancellation incidents that raise the specter of viewpoint bias. In 2021, Chase cancelled a credit card account connected to former general Michael Flynn for questionable reasons.⁷ That same year, Chase terminated the Arkansas Family Council's account because the organization was deemed "High Risk," even though they had done business with the bank for over two years.⁸

While Chase maintains that such decisions are not driven by any underlying political motives, its questionable pattern of de-banking coupled with its lack of transparency is cause for concern. According to former Chase senior executive, Cleo McDougald, the bank practices "red dotting," whereby a "red flag is placed on internal records . . . (alerting) different divisions in the bank not do any business with (certain clients)."⁹ These flags are often triggered by "reputational" or "social" "risk" policies and "can be generated from concerns over negative media coverage," even if such coverage is frivolous or politically biased.¹⁰

This pattern is particularly troubling in light of Chase's poor rating of 15% on the 2022 Viewpoint Diversity Score Business Index, which is the first comprehensive benchmark assessing whether scored companies respect free speech and religious freedom across forty-two key performance indicators.¹¹

⁴ Jon Brown, [*Chase Bank allegedly shuts bank account of religious freedom nonprofit, demands donor list*](#), Fox Business (Oct. 13, 2022).

⁵ Sam Brownback, [*Are big banks chasing away religious organizations?*](#) Washington Examiner Presents (Oct. 6, 2022, 6:00 am).

⁶ [*Letter from MO Treasurer Scott Fitzpatrick to Jamie Dimon, CEO, JP Morgan Chase*](#) (November 17, 2021).

⁷ Luke Gentile, [*Chase Bank apologizes for Michael Flynn credit card cancellation letter sent in "error"*](#), Yahoo News (September 1, 2021).

⁸ Jerry Cox, [*Chase Bank Cancels National Committee for Religious Freedom's Account Two Years After Canceling Ours*](#), Family Council (Oct. 19, 2022).

⁹ [*Morning Wire: Bank Cancels Religious Non-Profit & New Tax Rules – Transcripts*](#), Steno, (Dec. 26, 2022) at 00:04:31.

¹⁰ *Ibid.*; at 00:04:31 – 00:05:03.

¹¹ *JPMorgan Chase*, Viewpoint Diversity Score.

The company's score breakdown revealed a troubling lack of transparency related to internal decision-making on service cancellations, and respect for diverse viewpoints in its corporate governance.¹² The Business Index also identified vague and imprecise policies that afford Chase broad discretion to deny or restrict service for arbitrary reasons.¹³ Despite these warning signs, Chase has not disclosed any steps it takes to guard against political or anti-religious bias that could adversely impact clients and harm the company.

Second, this pattern of apparent internal political bias at Chase poses risks for public funds invested in the Company as well as for the millions of individuals, businesses, and non-profits who rely on its services. A large number of our pension funds are direct shareholders of Chase, and as stewards of our states' investment dollars, we are concerned that the company's recent pattern of apparent politically motivated de-banking constitutes a breach of its fiduciary duty. Under the law, you and the other officers of the company must act to maximize profit and must not subordinate the company's long-term financial well-being to extraneous personal or political ends.¹⁴ Chase's questionable practice of selective de-banking improperly subordinates financial well-being to other factors and places the company's business interests at risk.

In addition to sacrificing profitable investment opportunities (e.g., fossil fuels) for political reasons, the appearance of politicized de-banking harms the company's reputation with its customers. The freedom to bank and access financial services without fear of viewpoint-based discrimination is fundamental to maintaining the trust of people and institutions in a diverse and pluralistic society. The public backlash against Chase's questionable moves indicates growing public distrust of the company and invites heightened regulatory scrutiny that could substantially impact its financial performance.¹⁵

Third, in light of the foregoing concerns, we call on Chase to immediately take steps to identify and address internal drivers of political or anti-religious bias that could undermine its fiduciary obligations and impair the freedom of its customers to access financial services without fear of discrimination based on their political or religious views. One significant step forward would be an equal commitment to transparency concerning the policies and procedures Chase follows to prevent politically biased decision-making. Mere claims that Chase does not cancel accounts for political and religious reasons will no longer suffice.

When Chase's shareholders recently requested that it participate in the survey component of the Viewpoint Diversity Score Business Index—by completing a questionnaire about internal policies and practices that impact the civil liberties of all customers and employees—the bank refused.¹⁶ Chase, however, discloses detailed information regarding a host of other issues

¹² Staff, [How they Scored: JP Morgan Chase Bank](#), Viewpoint Diversity Score (Sep. 22, 2022).

¹³ *Ibid.*

¹⁴ eBay Domestic Holdings, Inc. v. Newmark, 16 A. 3d 1, 34 (Del. Ch. 2010) (“[h]aving chosen a for-profit corporate form . . . the directors are bound by the fiduciary duties and standards that accompany that form.”); see also Guth v. Loft, Inc., 5 A.2d 503, 510 (Del. 1939).

¹⁵ [Letter from U.S. Senator Marco Rubio to Jamie Dimon, CEO, JP Morgan Chase](#) (Oct. 25, 2022).

¹⁶ Scott Shepard, [Is Jamie Dimon Aware of the Partisan Double Standard Inside His Bank?](#) Real Clear Markets.

including climate change,¹⁷ and diversity, equity, and inclusion.¹⁸ It participates in the Human Rights Campaign's Corporate Equality Index,¹⁹ and even publicly celebrates its ranking.²⁰ And you personally extolled transparency in your 2020 letter to investors, writing that "(u)nlike many companies...banks must necessarily turn customers down or enforce rules that a customer may not like...This makes open and transparent dealings even more important."²¹ Yet, when provided with an opportunity to practice equal transparency on an issue of concern and import to a large number of your shareholders and customers, Chase has thus far been unwilling.

For these reasons, we, the undersigned state officials, demand that J.P. Morgan Chase demonstrate good faith in addressing these concerns, first, by completing the transparency questionnaire it received in connection with the Viewpoint Diversity Score Business Index, and second, by implementing recommended best practices to prevent internal political and anti-religious bias moving forward.

Sincerely,



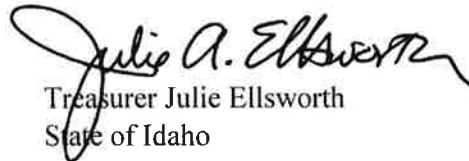
Treasurer John Murante
State of Nebraska



Commissioner of Revenue Adam Crum
State of Alaska



Auditor Dennis Milligan
State of Arkansas



Treasurer Julie Ellsworth
State of Idaho



Treasurer Dan Elliott
State of Indiana



Treasurer Steven Johnson
State of Kansas

¹⁷ [2022 Climate Report](#), JPMorgan Chase & Co. (p.4).

¹⁸ [2021 Environmental Social & Governance Report](#), JPMorgan Chase & Co.

¹⁹ [CEI 2022, Appendix A: Employer Ratings](#). (Receiving 100% on the CEI requires the company complete a questionnaire provided by HRC).

²⁰ Stuart Richardson, [Human Rights Campaign sets new standard for 'Best Places to Work for LGBTQ+ Equality'](#), NBC News (Jun. 9, 2022, 9:51 am).

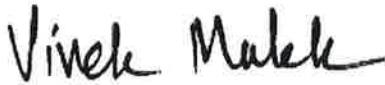
²¹ [JPMorgan Chase & Co. Annual Report 2020](#).



Treasurer David McRae
State of Mississippi



Auditor Scott Fitzpatrick
State of Missouri



Treasurer Vivek Malek
State of Missouri



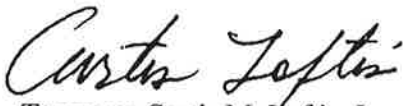
Controller Andy Matthews
State of Nevada



Treasurer Thomas Beadle
State of North Dakota



Treasurer Todd Russ
State of Oklahoma



Treasurer Curtis M. Loftis, Jr.
State of South Carolina



Treasurer Marlo Oaks
State of Utah



May 1, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

The Honorable Sandra L. Thompson
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, DC 20024

Dear President Biden and Director Thompson:

We write today expressing our deep concern with the new Federal Housing Finance Agency policy which goes into effect today and will have the net effect of making it significantly more expensive for people with good credit to buy houses. This new policy will force homebuyers with good credit to pay more on their mortgage every single month.

In other words, the policy will take money away from the people who played by the rules and did things right – including millions of hardworking, middle-class Americans who built a good credit score and saved enough to make a strong down payment. Incredibly, those who make down payments of 20 percent or more on their homes will pay the highest fees – one of the most backward incentives imaginable. For decades, Americans have been told that they will be rewarded for saving their money and building a good credit score. This policy turns that time-tested principle upside down.

And how will these new junk fees be used? To subsidize higher-risk borrowers by handing out better mortgage rates to people with lower credit ratings who have saved less for a down payment. We all want to increase home ownership across our great country – that’s a central component of the American Dream. And we recognize that there’s a gap in access to credit and that low credit scores are a significant barrier to buying a home. Moreover, federal programs exist to address affordable housing assistance and the new policy does nothing to address the shortage of housing inventory.

But the right way to solve that problem is not to use the power of the federal government to penalize hardworking, middle-class American families by confiscating their money and using it as a handout. The right way is to implement policies which will reduce inflation, cut energy costs and bring lower interest rates. Doing so will enable more families to save and improve their credit scores. Increased financial literacy efforts must also be part of the solution.

It is already clear that this new policy will be a disaster. It amounts to a middle-class tax hike that will unfairly cost American families millions upon millions of dollars. And – at a time when the real estate market has already slowed considerably due to high interest rates – it will further depress home sales. The practice by FHFA of making substantive policy changes without utilizing the federal rulemaking process is inappropriate.

We urge you to take immediate action to end this unconscionable policy.

Sincerely,



Alabama Auditor Andrew Sorrell



Alaska Commissioner of Revenue Adam Crum



Arizona Treasurer Kimberly Yee



Arkansas Auditor Dennis Milligan



Arkansas Treasurer Mark Lowery



Florida Chief Financial Officer Jimmy Patronis



Idaho Treasurer Julie Ellsworth



Indiana Treasurer Dan Elliott



Iowa Treasurer Roby Smith



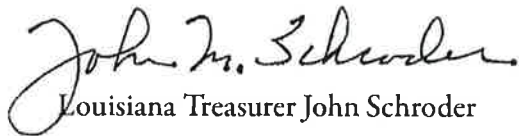
Kansas Treasurer Steven Johnson



Kentucky Auditor Mike Harmon



Kentucky Treasurer Allison Ball



Louisiana Treasurer John Schroder



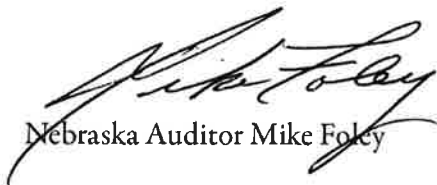
Mississippi Treasurer David McRae



Missouri State Auditor Scott Fitzpatrick



Missouri Treasurer Vivek Malek



Nebraska Auditor Mike Foley



Nebraska Treasurer John Murante



Nevada Controller Andy Matthews



North Carolina Treasurer Dale Folwell



North Dakota Treasurer Thomas Beadle



Ohio Treasurer Robert Sprague



Oklahoma Auditor & Inspector Cindy Byrd



Oklahoma Treasurer Todd Russ



Pennsylvania Treasurer Stacy Garrity



South Carolina Treasurer Curtis Loftis



South Dakota Auditor Richard Sattgast



South Dakota Treasurer Josh Haeder



Texas Comptroller Glenn Hegar



Utah Auditor John Dougall



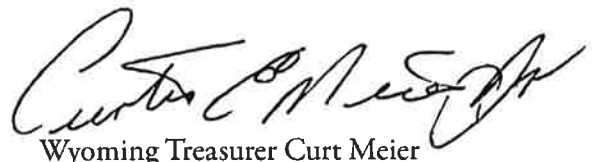
Utah Treasurer Marlo Oaks



West Virginia Treasurer Riley Moore



Wisconsin Treasurer John Leiber



Wyoming Treasurer Curt Meier