

To: Consumer Financial Protection Bureau

From: Sau-Wing Lam and Zhicheng Li

Date: December 18, 2016

Subject: Additional Information on Case Number 161215-001729

Dear Sir or Madam:

Since we submitted our case to the CFPB the Chinese media has reported on this matter. Meanwhile the Media Relations and Community Engagement Department of Chase Bank has issued the following public statement:

“Chase has reached out to our customer to resolve this misunderstanding. We have a strong non-discrimination policy and we take these concerns seriously. We’ve reviewed the situation and found no evidence of discrimination. We are sorry the customer is upset.”

No doubt in Chase’s forthcoming response to the CFPB it will also give you the same statement, which relegates this serious matter to just a mere “misunderstanding”. In our view, there was absolutely no misunderstanding at all, but there was a deliberate violation of the discrimination laws as promulgated under the Equal Credit Opportunity Act (ECOA, 15 U.S.C. 1691 et seq.) Below we will provide more detailed information in order to refute Chase’s statement, and to provide further proof that such discrimination clearly exists.

“Chase has reached out to our customers to resolve the misunderstanding”

After we complained about this incident Chase staff did call Mr. Li twice. Both times Chase staff told Mr. Li what its staff did was in accordance with both California laws and Chase internal policy. They reiterated that it did nothing wrong, no one was discriminated against, and no change needs to be made. They did apologize “if Mr. Li feels upset”, but such apology did nothing to address the matter.

Let us recap what happened: Mr. Li, a U.S. citizen of Chinese descent who can speak English, went into chase’s Oakland Chinatown Branch to apply for a credit card. He is already a Chase customer. He was told specifically that he needs to speak “100% English” in order to be able to apply for credit card at the Branch. When its staff, Ms. Susan He, helped Mr. Li they conversed in English. Ms. He told Mr. Li that she did not think his English was “good enough”, therefore she refused to help him apply for the credit card and he must bring in a translator who is at least 18 years of age. Mr. Li left the branch feeling angry because this was the first time since he immigrated to the U.S. 18 years ago that he felt discriminated against. He returned to the Branch later in the afternoon and was again refused service for the same reason.

We do not feel there was any misunderstanding at all because this was what happened:

1. Mr. Li used English to ask Ms. He to help him apply for a credit card.
2. After Ms. He briefly conversed with Mr. Li she made a subjective evaluation on her own to declare that Mr. Li's English proficiency was not good enough to apply for a credit card at the Branch.
3. Mr. Li was denied service because of his perceived lack of language proficiency as a result of his ethnic background, and he was asked to bring in an interpreter if he is to apply for credit at the branch.
4. No Chase staff had disputed the facts of what took place at the Branch. In fact, Chase staff confirmed Ms. He's refusal to provide service to Mr. Li as being in conformance with Chase's internal policy as well as California law, and concluded that there was "no evidence of discrimination".

We urge the CFPB to not allow Chase to explain this matter away by labelling it a "misunderstanding". What Ms. He did to Mr. Li (and very possibly other applicants of similar ethnic background) is under Chase's branch policy (at least for that branch) and is indeed an act of discrimination which is specifically prohibited by the ECOA.

"We have a strong non-discrimination policy"

While Chase may have a strong non-discrimination policy, it is the actual behavior that is being challenged here. The fact that two other more senior Chase staff had confirmed to Mr. Li that what Ms. He did was in accordance with its policy and California law is troubling. At the very least it means there are holes in Chase's non-discrimination policy which must be changed. Specifically, it appears to be Chase's policy (at least at this Branch) to:

1. Refuse to assist clients to apply for credit unless that client can speak fluent English (or, in the word of one of its staff, 100% English) – Chase keeps referring to California Civil Code Section 1632 which, for the sake of consumer protection, requires agreements and contracts with consumers who negotiate primarily in the Spanish, Chinese, Tagalog, Vietnamese, or Korean language to be given a written translation of the proposed contract in the language of the negotiation. Since Chase does not have credit card agreements in Chinese, it refuses to help Chinese-American apply for credit cards unless they bring an interpreter. In trying to avoid the requirements under Civil Code Section 1632 Chase discourages people with certain ethnic background to apply for credit, and such practice is prohibited by the ECOA.
2. Require staff to subjectively determine clients' English proficiency – to implement Chase's policy branch staff is required to subjectively determine the clients' English proficiency, a task that the branch staff may not be qualified for. We wonder what training Chase branch staff have had in order to acquire such skills? Not only does

such a requirement discriminate against credit applicants who are not native English speakers, it puts undue burden on the branch staff who must make such subjective judgement.

After this incident, Mr. Li visited other Chase branches and received help to apply for credit card from Caucasian staff. So this discriminatory practice may be confined to certain Chase branches, perhaps branches which operate in ethnic communities which speak Spanish, Chinese, Tagalog, Vietnamese or Korean languages. We urge the CFPB to stop this discriminatory practice.

Attached is a Declaration by Mr. Zhicheng Li confirming what happened at the Branch.