



U.S. Department of Housing and Urban Development
Fair Housing and Equal Opportunity
Office of Special Investigations
451 7th Street, SW, Room 5234
Washington, DC 20410

October 7, 2026

By Email & Certified U.S. Mail

Charles W. Scharf
Chairman & Chief Executive Officer
Wells Fargo & Company
333 Market Street
San Francisco, California 94105
charles.scharf@wellsfargo.com

RE: Secretary-Initiated Investigation of Wells Fargo

Dear Mr. Scharf:

I am the Assistant Secretary for Fair Housing and Equal Opportunity, and I write to notify you that, pursuant to the Fair Housing Act,¹ the United States Department of Housing and Urban Development is initiating an investigation into Wells Fargo's mortgage lending policies, practices, and programs. Under President Trump's historic leadership, "it is the policy of the United States to protect the civil rights of all Americans."² That mandate includes ensuring nationwide compliance with the Fair Housing Act.

Under the Biden Administration, race-conscious lending programs proliferated throughout the financial sector.³ The Fair Housing Act, however, prevents every entity engaged in "residential real estate-related transactions" from discriminating against "any person" in the availability or "terms or conditions of such a transaction because of race ... or national origin."⁴

Despite the Fair Housing Act's unambiguous, categorical prohibition on race-based home loans, the previous administration used special purpose credit programs as a vehicle to import racial discrimination into the housing market.⁵ Though banks sometimes reluctantly acceded to pernicious race-conscious lending practices, Wells Fargo emerged as the "first mortgage lender to make a public commitment" to implement a racialized home loan policy.⁶

¹ See 42 U.S.C. § 3610(a)(1)(A)(iii).

² Exec. Order No. 14173, 90 C.F.R. 8633 (Jan. 21, 2025) (cleaned up).

³ Orla McCaffrey, *Banks Expanding Special-Purpose Credit Programs*, Am. Banker, Dec. 27, 2022, <https://www.americanbanker.com/news/banks-expanding-special-purpose-credit-programs>.

⁴ 42 U.S.C. § 3605(a) (cleaned up).

⁵ See Ryan Kingsley, *CFPB, HUD Risk Litigation Over Fair Lending Enforcement*, Nat'l Mortg. Pro., Feb. 26, 2024, <https://nationalmortgageprofessional.com/news/cfpb-hud-risk-litigation-over-fair-lending-enforcement>. ("The extension of non-discrimination and fair lending laws to justify expansive, quasi-remedial, race-based programs is vulnerable to being questioned and litigated.")

⁶ Press Release, Wells Fargo, Wells Fargo Commits to Increase African American Homeownership (Feb. 28, 2017), <https://newsroom.wf.com/news-releases/news-details/2017/Wells-Fargo-Commits-to->

By 2022, Wells Fargo fully embraced sorting homeowners—and offering different products or terms on those products—based on race. Under its “initiative to help advance racial equity in homeownership,” your bank promised to “help minority homeowners, whose mortgages are currently serviced by Wells Fargo, refinance those mortgages.”⁷

According to the bank’s own press release, Wells Fargo would “identify eligible [b]lack homeowners who could benefit from a refinance product.”⁸ Your bank then committed “\$150 million to lower mortgage rates and reduce the refinancing costs to help these homeowners further benefit from refinancing.”⁹ The program was more aggressive than “usual lending programs” by putting *shareholders’* “money to work refinancing minority families’ homes.”¹⁰ Wells Fargo even derided competitors for not replicating its own policies, declaring, in a self-congratulatory press release, that its efforts exceeded those of “***the next three largest bank lenders combined***.”¹¹

Likewise, in its 2023 Diversity, Equity, and Inclusion report, Wells Fargo emphasized its “long-standing” commitment to “close the gap” in homeownership rates between “[b]lack / African American and Hispanic / Latino families” and “white homeowners.”¹² The Annual Report for the same year announced the bank exceeded its “\$150 million Special Purpose Credit Program (SPCP) commitment to advance racial equity in homeownership.”¹³

But attempting to close statistical racial gaps in homeownership by doling out loans based on race is no way to do business.¹⁴ And doing so in residential real estate-related transactions is illegal under the Fair Housing Act. The Trump Administration will not tolerate the kind of destructive discriminatory lending practices that compelled Congress to enact the Fair Housing Act in the first place.¹⁵

Although Wells Fargo scrubbed its website of “DEI” references in 2025, the bank’s obligations under the Fair Housing Act rise or fall based on actual practices, not buzzwords or website aesthetics. Wells Fargo’s public statements, commitments, and reports over an extended period, preserved within internet archival records, call

Increase-African-American-Homeownership/default.aspx.

⁷ Press Release, Wells Fargo, Wells Fargo Expands Efforts to Advance Racial Equity in Homeownership (Apr. 13, 2022), <https://newsroom.wf.com/news-releases/news-details/2022/Wells-Fargo-Expands-Efforts-to-Advance-Racial-Equity-in-Homeownership/default.aspx>.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.* (emphasis in original).

¹² Wells Fargo, Diversity, Equity, and Inclusion at Wells Fargo, 23 (June 2023).

¹³ Wells Fargo, Annual Report 2023, viii (2024).

¹⁴ Chief Justice John Roberts called it a “sordid business, this divvying us up by race.” *League of United Latin Am. Citizens v. Perry*, 548 U.S. 399, 511 (2006) (Roberts, C.J., concurring in part and dissenting in part).

¹⁵ *Texas Dep’t of Hous. & Cmty. Affs. v. Inclusive Cmty. Project, Inc.*, 576 U.S. 519, 528-29 (2015) (observing that “discriminatory lending practices, often referred to as redlining,” was part of the unequal treatment the Fair Housing Act was designed to prevent).

into question whether the bank continues to make loans and craft their terms according to the race of the applicant.¹⁶

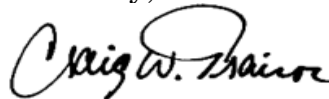
In response to your bank's repeated public promotion of explicit race-based lending policies, I have directed the Office of Special Investigations to investigate Wells Fargo for potential fair housing violations. Our investigation will determine whether Wells Fargo has violated or intends to violate 42 U.S.C. § 3605.

Upon completion of our investigation, the Office of Fair Housing and Equal Opportunity (FHEO) may file a complaint against Wells Fargo for discrimination based on race or national origin under the applicable statutes. If FHEO finds reasonable cause to believe Wells Fargo has or intends to violate the civil rights of its customers, we will file charges of discrimination or refer the matter to the United States Department of Justice for further enforcement.

Additionally, this letter serves as a formal demand to preserve all existing and future records and materials related to your mortgage lending policies, practices, and programs. You should construe this preservation notice as an instruction to take all reasonable steps to prevent the destruction or alteration, whether intentionally or negligently, of all documents, communications, and other information, including electronic information and metadata, that are or may be responsive to the Department's investigation. This instruction includes all electronic messages sent using official and personal accounts or devices, including records created using text messages, phone-based message applications, or encryption software.

Within ten (10) business days of this letter's date, FHEO will issue initial requests for information from Wells Fargo. Please reach out to [REDACTED] with any questions.

Sincerely,



Craig W. Trainor
Assistant Secretary for
Fair Housing and Equal Opportunity

¹⁶ *E.g.*, Wells Fargo, 2024 Diversity, Equity, and Inclusion Report (Aug. 2024); 2023 Diversity, Equity, and Inclusion at Wells Fargo (rev. Oct. 2023). *See also* Kristen Parisi, *Wells Fargo quietly deleted its DEI page and reports*, HR Brew, Aug. 29, 2025, <https://www.hr-brew.com/stories/2025/08/29/scoop-wells-fargo-quietly-deleted-its-dei-page-and-reports-hr-brew-finds> (describing how Wells Fargo discreetly rebranded its DEI efforts by labeling them as “inclusion and accessibility”).