

Congress of the United States

Washington, DC 20515

July 25, 2024

Mr. Brian Moynihan
Chair of the Board and CEO
Bank of America Corp.
100 N Tryon St.
Charlotte, NC 28255

Dear Mr. Moynihan,

We write with disappointment regarding the recent news that Bank of America has reversed its ban on financing assault-style gun manufacturers in response to pressure from Republican-led states, such as Florida and Texas.¹ When the second-largest bank in the country backtracks on gun violence prevention, it sends a message to the entire industry: it's permissible for other financial institutions to put short-term politics over the protection of American lives.

In 2018, following the Marjorie Stoneman Douglas High School mass shooting, Bank of America announced that it would no longer finance military-style firearms for civilian use.² In an interview that April, Vice Chair Anne Finucane stated that Bank of America wants to contribute in "any way we can" to reduce mass shootings. Specifically, Ms. Finucane said: "It's our intention not to finance these military-style firearms for civilian use" on a "go forward basis."³ At Bank of America's annual shareholder meeting that same month, one conservative activist said the bank was "willfully giving up money." You responded to shareholders that the policy change was prompted in part because more than 150 Bank of America employees "directly lost a relative in the shootings in the last couple [of] years."⁴

Remington, Vista Outdoor, and Sturm, Ruger & Co. were three of your clients affected by this policy change in 2018. Remington made the Bushmaster assault weapon that was used in the 2012 mass shooting that killed 26 children and educators at Sandy Hook Elementary School in Newtown, Connecticut. Remington had been a client of Bank of America since at least 2012 until the bank cut ties—but only after contributing \$43 million to a lending package that helped Remington exit bankruptcy in 2018.⁵ Vista Outdoor sold rifles and shotguns, including AR-15-style weapons, until 2019, when Bank of America helped finance Vista's acquisition of another sporting goods company in 2016.⁷ Lastly, Sturm Ruger makes the AR-556 pistol, which resembles an

¹ "Bank of America Backtracks on Lending Ban to Some Gunmakers," 31 May 2024, <https://www.bloomberg.com/news/articles/2024-05-31/bank-of-america-eases-pledge-to-stop-lending-to-some-gunmakers>.

² "Bank of America stops financing for makers of 'military style' rifles, 11 Apr. 2018, <https://www.nbcnews.com/news/us-news/bank-america-stops-financing-makers-military-style-rifles-n865106/>

³ "Bank of America to stop lending to some gun manufacturers in wake of Parkland massacre," 11 Apr. 2018, <https://www.washingtonpost.com/news/business/wp/2018/04/11/bank-of-america-to-stop-lending-to-some-gun-manufacturers-in-wake-of-parkland-massacre/>.

⁴ "Bank of America's loan to Remington tests its firearms pledge," 16 May 2018, <https://www.reuters.com/article/us-bank-of-america-remington/bank-of-america-s-loan-to-remington-tests-its-firearms-pledge-idUSKBN1I70AE/>.

⁵ *Id.*

⁶ "Bank of America is still working with gunmaker Remington," 7 May 2018, <https://money.cnn.com/2018/05/07/news/companies/bank-of-america-gunmaker-remington/index.html>.

⁷ "Vista Outdoor may dump its gun brands," 1 May 2018, <https://money.cnn.com/2018/05/01/news/companies/vista-outdoor-savage-guns/index.html>.

⁸ "Vista Outdoor's Amended and Restated Revolving Credit Facility and Term Loan Facility," 15 Apr. 2016, <https://www.cravath.com/news/vista-outdoor-s-amended-and-restated-revolving-credit-facility-and-term-loan-facility.html>.

AR-15-style rifle but has been designed to circumvent existing gun laws.⁹ This weapon was used in the 2021 mass shooting that killed ten people at a King Soopers supermarket store in Boulder, Colorado.¹⁰ In 2013, Bank of America extended a \$25 million line of credit to Sturm Ruger.¹¹ Between 2012 and 2018, Bank of America issued \$273.6 million in bonds and loans to these firearm companies.¹² To be clear, none of these guns are designed for hunting or for self-defense. They are designed to kill large numbers of people as quickly as possible.

In 2019, Bank of America described the financing of these gunmakers as “contrary to our values, operating principles and Code of Conduct” in its Environmental and Social Risk Policy Framework.¹³ In 2022, Bank of America reiterated that it “will not currently finance the manufacture of military-style firearms for non-law enforcement, non-military use.”¹⁴ Then in November 2023, Bank of America assured members of Congress that its “lines of business continue to follow this policy.”¹⁵

However, in December 2023, Bank of America weakened its firearms lending policy in its updated policy framework, stating that financing military-style firearms would be subject to an “enhanced due diligence process” and review by the Senior-level Risk Committee.¹⁶ This directly contradicts Vice Chair Finucane’s 2018 statement that “going forward we will not finance the manufacture of these firearms.”¹⁷

Recent reports suggest that this policy change was prompted by anti-ESG laws in states like Florida and Texas. In 2021, Texas passed a law restricting companies that “discriminate” against firearms entities from doing business with the state. Specifically, it requires that government contracts include a written verification that the company does not and will not “have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association.”¹⁸ In October 2023, shortly before Bank of America changed its policy, the Texas Attorney General issued an advisory urging government entities to closely review these written verifications and consider other “red flags,” citing Bank of America’s approach towards certain firearm entities.¹⁹ More recently, in January 2024, Florida announced that it will begin enforcing violations of an anti-ESG law passed last year, which requires banks that accept state or local funds to verify that they don’t

⁹ “The gun implicated in Boulder uses the same ammunition as an AR-15. It’s legally a pistol,” 24 Mar. 2021, <https://www.washingtonpost.com/nation/2021/03/24/boulder-ar-556-pistol/>.

¹⁰ “Son of Colorado mass shooting victim sues gun-maker Ruger,” 15 Mar. 2023, <https://apnews.com/article/colorado-supermarket-shooting-lawsuit-gun-maker-ruger-b78a272993615b32dc233a445c2dbbca>.

¹¹ “Emanuel To Banks: Stop Supporting Gun Makers,” 25 Jan. 2013, <https://www.cbsnews.com/chicago/news/emanuel-to-banks-stop-supporting-gun-makers/>.

¹² “Wells Fargo Is the Go-To Bank for Gunmakers and the NRA,” 7 Mar. 2018, <https://www.bloomberg.com/news/articles/2018-03-07/nra-s-banker-wells-fargo-climbs-to-top-of-gunmaker-debt-market>.

¹³ “Bank of America Backtracks on Lending Ban to Some Gunmakers,” 31 May 2024, <https://www.bloomberg.com/news/articles/2024-05-31/bank-of-america-eases-pledge-to-stop-lending-to-some-gunmakers>.

¹⁴ *Id.*

¹⁵ “Bank of America Letter to Sen. Warren and Rep. Frost,” 22 Nov. 2023, https://www.warren.senate.gov/imo/media/doc/bank_of_america_letter_to_frost_warren_november_2023.pdf.

¹⁶ “Bank of America Environmental and Social Risk Policy Framework,” Dec. 2023, <https://about.bankofamerica.com/content/dam/about/pdfs/environmental-and-social-risk-policy-december-2023.pdf>.

¹⁷ “Bank of America defends financing deal with rifle maker Remington as activists plan boycott,” 10 May 2018, <https://www.cnbc.com/2018/05/10/bank-of-america-defends-financing-deal-with-remington.html>.

¹⁸ “Why Texas Is Banning Banks Over Their ESG Policies,” 20 Mar. 2024, <https://www.bloomberg.com/news/articles/2024-03-20/why-texas-is-banning-blackrock-citi-other-banks-over-esg-investing>.

¹⁹ “Advisory on Texas Law Prohibit Contracts and Investments with Entities that Discriminate Against Firearm Entities or Boycott Energy Companies or Israel,” 18 Oct. 2023, <https://texasattorneygeneral.gov/sites/default/files/images/executive-management/OAG%20advisory%20on%20SB%2013%20and%2019%2010.18.23.pdf>.

“politically discriminate.”²⁰ In particular, these requirements prohibit banks from denying services on the basis of enumerated factors, including a company’s “engagement in the lawful manufacture, distribution, sale, purchase, or use of firearms or ammunition.”²¹ In May 2024, Florida enacted a law, effective July 1, 2024, that provides for a customer complaint process for alleged violations of these requirements and expands the scope to include non-Florida chartered banks.^{22,23}

The strong positions by Bank of America in 2018 likely saved lives. Your retreat in recent years strikes us as situational ethics. Perhaps you fear the political risk of alienating certain politicians. We would suggest that pales in comparison to the fear felt by a classroom full of kids looking down the barrel of an assault rifle. The least you could do is show a fraction of the courage that too many children are asked to show in a country awash in these weapons of war.

To that end, we seek clarification on this policy change and ask that you answer the following questions by August 8, 2024:

1. Since 2018, what steps has Bank of America taken to reverse its prior policies and decisions that were intended to reduce gun violence?
2. Please explain why Bank of America now deems it appropriate to finance assault-style gun manufacturers.
3. Please detail how Bank of America implemented the enhanced due diligence standard and review process for clients and transactions involving the manufacture of military-style firearms for civilian use, including:
 - a. What “specialized industry knowledge” did the internal subject matter experts (SMEs) possess that contributed to the development of this policy?
 - i. What are their professional backgrounds?
 - b. Please provide specifics about the “clear process” for review with senior executive checkpoints, escalation routines, and risk management considerations, including how Bank of America will assess the reputational and litigation risk associated with specific, potential clients.
 - c. What factors would cause Bank of America to decide to provide financing or underwriting to a manufacturer of military-style firearms for civilian use?
4. Since this enhanced due diligence process was put in place, what, if any, financing or underwriting has Bank of America provided to firearm manufacturers, including those specified below?
 - a. Sturm Ruger & Company (RGR)
 - b. Smith and Wesson (SWBI)
 - c. Axon (AXON:US)
 - d. Sportsman’s Warehouse Holdings (SPWH)
 - e. Big Five Sporting Goods Corporation (BGFV)

²⁰ “CFO Jimmy Patronis: Florida is Prepared to De-Bank Woke Banks,” 19 Jan. 2024, <https://myfloridacfo.com/news/pressreleases/press-release-details/2024/01/19/cfo-jimmy-patronis--florida-is-prepared-to-de-bank-woke-banks>.

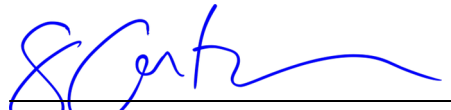
²¹ “HB 3: Government and Corporate Activism,” <https://www.flsenate.gov/Session/Bill/2023/3?pref=full>.

²² “HB 989: Chief Financial Officer,” <https://www.flsenate.gov/Session/Bill/2024/989>.

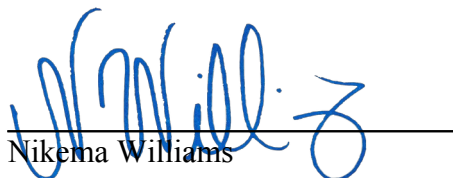
²³ “Sullivan & Cromwell Discusses State Requirements of ‘Fair Access’ to Financial Services, 13 May 2024, <https://clsbluesky.law.columbia.edu/2024/05/13/sullivan-cromwell-discusses-state-requirements-of-fair-access-to-financial-services/#:~:text=On%20May%202%2C%202024%2C%20the,to%20expand%20the%20financial%20institutions>.

We look forward to your prompt response either in writing or via a briefing and the opportunity to continue to work together to stem the tragedies caused by gun violence and make our communities safer. Thank you for your attention to this matter.

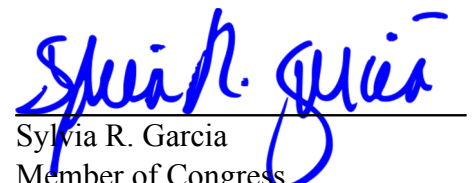
Sincerely,



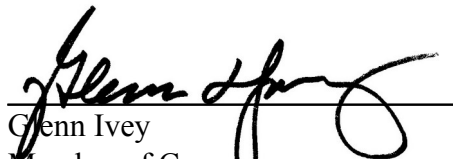
Sean Casten
Member of Congress



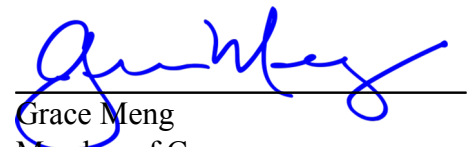
Nikema Williams
Member of Congress



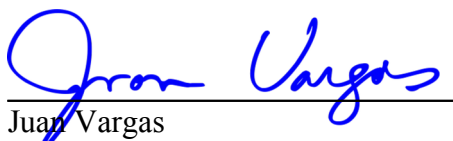
Sylvia R. Garcia
Member of Congress



Glenn Ivey
Member of Congress



Grace Meng
Member of Congress



Juan Vargas
Member of Congress



Bonnie Watson Coleman
Member of Congress



Joyce Beatty
Member of Congress



Al Green
Member of Congress



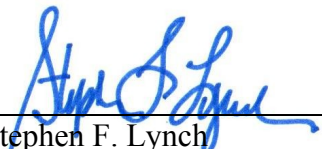
Raúl M. Grijalva
Member of Congress



Summer L. Lee
Member of Congress



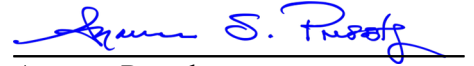
Dan Goldman
Member of Congress



Stephen F. Lynch
Member of Congress



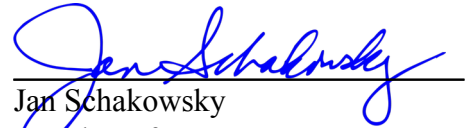
Delia C. Ramirez
Member of Congress



Ayanna Pressley
Member of Congress



Mark DeSaulnier
Member of Congress



Jan Schakowsky
Member of Congress



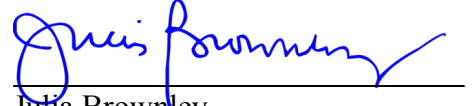
Andy Kim
Member of Congress



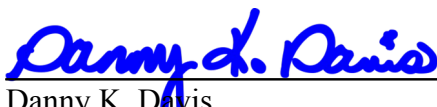
Barbara Lee
Member of Congress



Henry C. "Hank" Johnson, Jr.
Member of Congress



Julia Brownley
Member of Congress



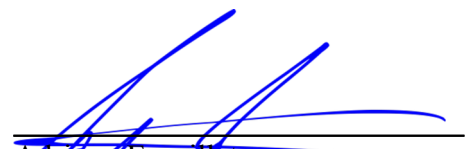
Danny K. Davis
Member of Congress



Maxwell Alejandro Frost
Member of Congress



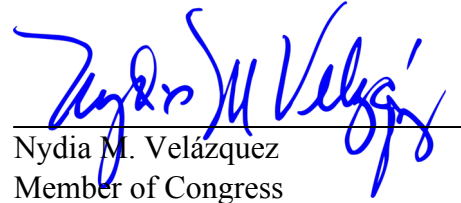
Rashida Tlaib
Member of Congress



Adriano Espaillat
Member of Congress



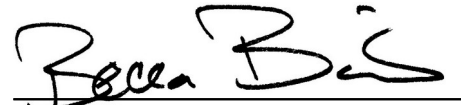
Veronica Escobar
Member of Congress



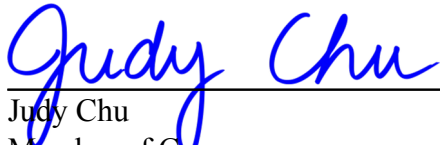
Nydia M. Velázquez
Member of Congress



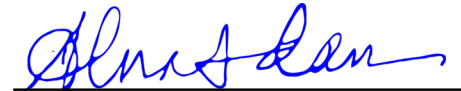
Cori Bush
Member of Congress



Becca Balint
Member of Congress



Judy Chu
Member of Congress



Alma S. Adams, Ph.D.
Member of Congress



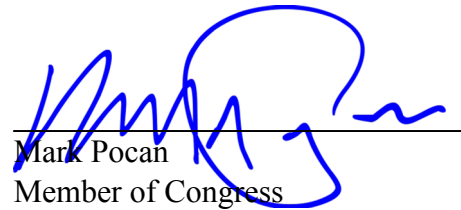
Frederica S. Wilson
Member of Congress



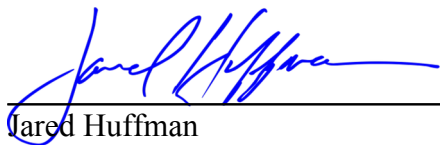
Katie Porter
Member of Congress



Adam Smith
Member of Congress



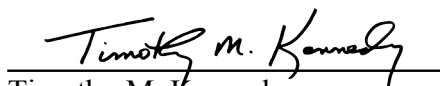
Mark Pocan
Member of Congress



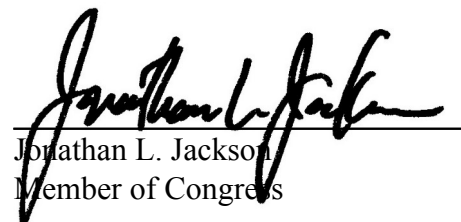
Jared Huffman
Member of Congress



Mike Quigley
Member of Congress



Timothy M. Kennedy
Member of Congress



Jonathan L. Jackson
Member of Congress



Chellie Pingree
Member of Congress



Seth Moulton
Member of Congress



Rosa L. DeLauro
Member of Congress



Jamie Raskin
Member of Congress



Valerie P. Foushee
Member of Congress



Lois Frankel
Member of Congress



Yvette D. Clarke
Member of Congress



Eleanor Holmes Norton
Member of Congress



James P. McGovern
Member of Congress



Betty McCollum
Member of Congress



Eric Swalwell
Member of Congress



Dwight Evans
Member of Congress