

JPMORGAN CHASE & CO.

Charla L. Hausler
Assistant General Counsel
Legal and Compliance Department

September 25, 2009

VIA FIRST CLASS MAIL

Gail Hillebrand
Financial Services Campaign Manager
Consumers Union
1535 Mission Street
San Francisco, CA 94103

RE: Minimum Payment Increases

Dear Ms. Hillebrand,

Thank you for your letter of September 8, 2009, expressing concerns regarding an increase in the minimum payment from 2% to 5% on certain Chase credit card accounts. We understand your concern that customers may be facing temporary difficulties in repaying their balances. Chase shares your concern and, therefore, we are committed to working with customers who are experiencing serious financial difficulty. Chase provides programs for cardmembers who express particular hardship in making payments. Chase offers temporary financial solutions, as appropriate, in the form of, for example, a reduced interest rate and reduced fixed payments for a specified time period to cardmembers experiencing financial difficulty. Attached is a fact sheet that more fully explains Chase's commitment to assisting customers facing financial challenges.

Because Chase is committed to work with customers facing financial difficulty, your claim that Chase is "significantly harming the economic stability of families who make up its consumer base" is disappointing. Tens of millions of Chase customers took advantage of our promotional low rate financing over the last five years. Most of these loans have been paid back in less than 24 months. In August, the minimum payment was increased for less than one percent of Chase's customers who have not made as much progress in paying down their loans. As you recognize, an increased minimum payment has benefits for consumers because "over the long term higher minimum payments can reduce debt faster." Consumers also save money because, over time, they will pay less in finance charges. Moreover, the account changes are authorized, not only by the cardmember agreement itself, but also by Delaware and federal law.

Nevertheless, you have requested that Chase refrain from increasing minimum payments for all customers. This request, however, may not be beneficial for all customers. Therefore, Chase will continue to work with customers, on an individual basis, who express financial hardship due to the increase in the minimum payment percentage. Because we are willing to assist these customers, we encourage you to advise consumers to call the number on the back of their credit card to discuss their specific circumstances with a Chase

representative, who can assist them with financial solutions. We also invite you to contact Nancy Stoneman in our Executive Office to discuss programs Chase provides for cardmembers, who express particular hardship in making payments. Ms. Stoneman can be reached at 888-214-7712 or 2500 Westfield Drive, Floor B7, IL1-6215, Elgin, Illinois 60124. We also invite the two customers referenced in your letter to contact Ms. Stoneman, who will be able to discuss with them their particular circumstances and options.

Chase appreciates your commitment in helping American families navigate periods of economic stress and shares in your commitment to these families.

Sincerely,

A handwritten signature in black ink, appearing to read "Charla L. Hausler", with a long horizontal flourish extending to the right.

Charla L. Hausler
Assistant General Counsel

Cc: Chi Chi Wu, Staff Attorney, National Consumer Law Center
Ed Mierzwinski, Consumer Program Director, U.S. Public Interest Research Group
Nancy Stoneman, Senior Operations Manager