



May 12, 2025

Dear NYC Banking Commission,

[Third Act NYC](#) is submitting this testimony on behalf of [Third Act](#), a national organization with about 100,000 supporters of which we are the NYC-based chapter. Third Actors are Americans aged 60+ who are dedicated to protecting our climate and safeguarding our democracy. Our organization is part of a national movement urging banks, public pension funds, and other financial institutions to curtail their outsized funding of fossil fuels and to accelerate the funding of clean energy and climate solutions.

Third Act and Third Act NYC urge the Commission to vote against designating Wells Fargo, Citibank, Bank of America, or JP Morgan Chase as the “NYC Designated Bank” due to their continued irresponsible funding of the fossil fuel industry and of projects with human rights violations, as well as other problematic business practices that contradict New York City’s policies and principles.

As part of the process for selecting and designating a bank for NYC’s business, the NYC Banking Commission should establish clear and robust climate risk mitigation and clean energy requirements. At minimum, **we strongly recommend that the Commission vote to adopt a threshold standard that any bank seeking to partner with the city must adhere to formal foundational commitments to achieve net zero emissions by 2050 and must have 2030 emission reduction targets in place for its oil and gas sectors.**

By adopting this threshold, the Commission will ensure that the banks approved for conducting business with the City are, at least, minimally aligned with NYC’s own near-term and net zero climate targets. Whereas, the certification of any bank that does not meet this standard risks undermining the NYC government’s own climate mitigation plans (including its [OneNYC 2050 Climate Action Plan](#)) and its concerted efforts to safeguard its taxpayer funds and combat the inequitable impacts of climate change.

Furthermore, by adopting this threshold, the Commission will establish a screen to identify and rule out particularly reckless financial decision making that would put New Yorkers’ money at significant risk. **Notably, Wells Fargo currently fails to meet the proposed threshold standard after becoming the first, and to date only, major U.S. bank to [drop its 2030 and 2050 climate targets for its financed and facilitated emissions](#), in one of the most egregious instances of banks rolling back their climate commitments.**

We further note that many of the banks applying for certification have climate risk profiles the commission should be mindful of. While Wells Fargo's dereliction of even basic fiduciary responsibilities to rein in its financed emissions and climate financial risk make it the Wall Street bank with the weakest climate policies on the books, none of the Wall Street banks have aligned its financing activities to be compatible with a 1.5 °C trajectory, all of them have [exited the Net Zero Banking Alliance](#), and all are still funding fossil fuels by billions each year.

JPMorgan Chase, Citibank, Wells Fargo, and Bank of America together financed nearly \$1.5 trillion to the fossil fuel industry since 2016, according to the [Banking on Climate Chaos Report](#), despite the International Energy Agency's clear [directive](#) not to invest in new fossil fuel development after 2021.

If New York City does business with major financiers of fossil fuels, they are putting New Yorkers' money at significant risk: Citi's own analysis submitted to the Federal Reserve, for example, concluded that they could suffer up to [\\$10 billion in loan losses](#) as the world transitions to a clean energy economy, because of the bank's outsized exposure to fossil fuels. This threat is similar for other major fossil fuel financing banks, and doesn't just threaten those banks' financial stability, but the entire economy. Major banks' massive exposure to fossil fuels and failure to rapidly de-risk their portfolios could trigger a [2008-style financial crash](#) in the event of rapid devaluation of fossil-fuel-linked assets, where Wall Street elites are bailed out and working people are left to suffer the consequences. New York City can mitigate this risk in part by moving its money out of the most fossil-fuel-exposed banks.

Despite banks rolling back their climate commitments publicly, climate-related financial risks are not going away, and New York City has a responsibility to its residents to take these risks seriously when deciding on its designated banks. Not only do these institutions expose NYC's funds to direct financial risk by continuing to finance risky companies and projects, but they would be using the city's money to further expand the fossil fuel economy, exacerbating climate risks that will have devastating impacts on coastal cities like NYC.

As a city that understands the importance of reducing emissions and fighting climate change, The New York Banking Commission should send a clear message that banks that continue to finance the expansion of fossil fuels are not welcome in the city. **We urge the Commission to strengthen its bank selection criteria by adding a requirement that only banks demonstrating minimal or higher levels of climate governance with formal policies in place to reach net zero emissions by 2050 and 2030 targets to reduce emissions from oil and gas lending can be ruled as eligible for receiving designation status. We also urge the Commission to reject Wells Fargo's bid to be recertified as an approved banking partner for the City of New York.**

Wells Fargo: A Particularly Risky Choice of Bank for New York City

Wells Fargo's decision to abandon its financed emissions reduction targets sets it apart as a laggard among its Wall Street peers, in one of the most alarming moves amid a trend of banks [backsliding on climate](#). All other major U.S. banks, though they continue to commit billions of dollars in financing for the expansion of fossil fuels, as a minimum have committed to reaching net zero emissions by 2050, including for their financed emissions, and have set 2030 emissions reductions targets for the energy and power sectors. Wells Fargo is [one of the world's largest fossil fuel financiers](#), committing over \$296 billion to the industry from 2016-2023 (according to the most recent data). For 2023, Wells Fargo is the fifth largest global funder of fossil fuels, and it committed \$48.47 billion to fracking companies since 2016, as one of the sector's top funders.

Further, Wells Fargo is significantly underfinancing renewable energy relative to fossil fuels, with [nearly twice](#) as much financing for fossil fuels as low carbon energy, according to Bloomberg New Energy Finance. According to the IEA, the ratio of financing for low carbon energy relative to fossil fuels needs to reach [6:1](#) by 2030 in order to reach global climate goals. Wells Fargo's is 0.52:1. Wells Fargo's management even recommended that shareholders vote *against* the resolution filed by the NYC Comptroller's office requesting disclosure of this metric. JPMorgan Chase and Citi, meanwhile, [committed](#) to disclosing their energy finance ratios last year.

Additionally, Wells Fargo's history of egregious mismanagement and scandals makes it a risky bank for New York City to do business with. The bank is under heightened regulatory oversight and scrutiny, including for its [role in the 2008 financial crisis](#), [inadequate controls](#) on money laundering and other financial crimes, the bank's 2016 [fake accounts scandal](#), which triggered billions of dollars in fines, an asset cap, and a class action lawsuit. The Trump administration poses a serious threat of dangerous de-regulation, exposing Wells Fargo's clients to further risks. In November 2024, [Senator Elizabeth Warren](#) urged the Federal Reserve not to lift the bank's asset cap, citing ongoing misbehavior.

Banks Funding Fossil Fuels Worsen Climate Threats to New Yorkers

As a low-lying coastal city, New York is uniquely [exposed](#) to worsening climate disasters, including deadlier heat waves, sea level rise, and more intense and frequent storms. More than [80,000 New York homes](#) could be destroyed by floods, which are worsened by global heating, in the next 15 years. These disasters will harm Black, brown, and low-income New Yorkers the most: heat wave-related deaths over the past decade are [twice as high](#) among Black New Yorkers, for example.

If the Commission votes to name **Wells Fargo, Citibank, Bank of America, JP Morgan or Chase** as NYC Designated Banks, the city's money will be used via loans and underwriting to finance top climate polluters that are driving catastrophic climate impacts for New Yorkers and globally. [Research](#) on the climate impact of cash deposits estimates that every \$1 billion in cash that a bank deploys generates the emissions equivalent of 63,793 gas-powered vehicles' annual

emissions. Depositing the city's money into any of these fossil fuel banks would undermine the city's climate goals by financing fossil fuel expansion. Further, it would contradict other actions by the city targeting financed emissions, including the [recent commitment](#) by three of the city's pension funds to evaluate the climate plans of major asset managers or risk losing their business, and the pension funds' completion of [\\$3 billion](#) in divestment from risky fossil fuel assets.

You have the choice to put the City's cash towards a safe climate future, or to allow it to drive more extreme weather in New York and around the world. **Wells Fargo, Citibank, Bank of America, and JP Morgan Chase** are among the world's largest funders of fossil fuel expansion. **We urge the Commission to vote against certifying these institutions, especially Wells Fargo, as NYC Designated Banks.**

Sincerely,

Katherine Alford and Patrick Almonrode
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on behalf of the Coordinating Committee of Third Act NYC
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