

From: [Iliana Tewes](#) on behalf of [Augusto Sanabria](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Augusto Sanabria](#)
Subject: [External] Capital One Support Letter
Date: Wednesday, April 17, 2024 1:21:39 PM

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Prospera
3201 E. Colonial Dr.
Suite A20
Orlando, FL 32803

Secretary of the Board
Federal Reserve Bank
20th Street & Constitution Avenue NW
Washington DC 20551-0001

Wednesday, April 17, 2024

To Whom It May Concern:

As a beneficiary of its community philanthropy, we would like to share our experience and engagement with Capital One. Prospera is an economic development, nonprofit organization, whose mission is to help start, sustain, and grow Hispanic-owned businesses to achieve community prosperity. Its business model was designed by Hispanic entrepreneurs, for Hispanic entrepreneurs, and has been proven effective since 1991. In its first 30 years of service, Prospera generated over \$4.9 Billion in total economic output and impacted more than 47,700 jobs.

Prospera provides expertise and resources to both existing and prospective micro-businesses, empowering entrepreneurs through handholding, training in Spanish, and ongoing support so their businesses can grow and prosper. It currently operates in Florida, North Carolina, and Georgia. Prospera delivers all services to entrepreneurs free of charge, thanks to investments in its mission by generous corporations, individuals, and government agencies. Capital One is

one of Prospera’s annual funders, and their corporate support and volunteer engagement with our organization has progressively increased in recent years, helping to increase our nonprofit organization’s capacity to serve Hispanic entrepreneurs in both Florida and Georgia.

Collaboration with fellow entrepreneur support organizations is a key element of Prospera’s model, allowing a focus on helping small business owners establish a strong foundation and increase their likelihood of success. We complement our expertise with that of other entrepreneur support organizations through referrals and partnerships, avoiding duplication of resources in local ecosystems. Besides its financial contribution, Capital One has committed volunteer hours of service on Prospera committees, helping us oversee and analyze client assistance cases, and participated in educational business seminars to increase the financial literacy of Hispanic entrepreneurs who wish to learn more about the U.S. financial and banking systems.

We look forward to continuing and increasing our partnership with Capital One to serve more Hispanic entrepreneurs, so their small businesses can grow, prosper, and create jobs and wealth in minority communities across the U.S.

Respectfully yours,

Augusto Sanabria
President & CEO
Prospera

Augusto Sanabria
President & CEO
Prospera
Advancing Hispanic Business

+1 407 413 8564 Visit our website

asanabria@prosperausa.org

Facebook Instagram X YouTube LinkedIn

SAVE CONTACT

From: [Deborah Shore](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Support Letter for the Capitol One acquisition of Discover
Date: Wednesday, April 17, 2024 1:47:39 PM
Attachments: [Letter of Support - Sasha Bruce Youthwork - CapitalOne-Discover.docx](#)



April 16, 2024

Ann E. Misback
Secretary of the Federal Reserve Board
Federal Reserve Bank
2051 Constitution Ave. NW,
Washington, DC 20418

Dear Secretary:

As Executive Director of Sasha Bruce Youthwork, a youth and family services agency in Washington, DC, and Prince George's County, Maryland, I am writing to provide my strong support for the application of Capital One to merge with Discover. I do this because we have had such a fruitful partnership with Capitol One since 2020 and believe this acquisition will strengthen their capacity to make significant contributions to improving life for residents in our area.

For 50 years, Sasha Bruce has been serving youth and families with shelter, trauma-informed counseling, family supports, long-term housing, workforce training, wellness care, and many community-based programs to prevent family dissolution and homelessness.

We have forged a very productive relationship with Capitol One, and they have truly assisted us in enhancing our Case Management services to our homeless youth, clients particularly to ensure they have the life and workforce skills needed to transition to independence successfully.

They have also provided staff expertise for pro bono projects that have been enormously helpful. These projects have included a Compensation Survey, which has provided us with a plan for better equity across our programs, a Client Mapping project to better understand the journey of our clients and where we need to bolster services, and a Data Visualization project to help with better ways to describe our impact. These are each very helpful in building our capacity to provide the best services and be the best organization we can be.

We are so pleased with the current partnership with Capitol One to enhance services and help establish a Direct Cash Transfer for youth at high risk of homelessness in Prince George's County. Their support is particularly helpful in allowing us to expand our outreach to LGBTQ and Latino youth and to work through the cash disbursement method for the cash transfers. The project has been designated as one of 11 national Youth Homelessness Prevention Demonstration Projects by the US Department of Human Services.

The investments that Capitol One has made in our organization and many others allow us to provide cutting-edge services. We have found the Capitol One staff to be very knowledgeable of



the community and interested in filling gaps and forging a relationship that goes beyond monetary support. We are so proud of our partnership that they will be honored as our Community Champion at our 50th Anniversary celebration on June 12, 2024.

The moniker “ Change Banking for Good” truly applies to what Capitol One has been doing with our organization and our community. We believe the acquisition of Discover will only help create more opportunities for investments in smart community solutions.

Thank you for the opportunity to make this statement on Sasha Bruce Youthwork’s behalf. We appreciate CapitalOne’s role, support, and leadership and proudly endorse their merger with Discover.

Sincerely,

Deborah Shore
Founder & Executive Director

From: [Yvonne Bartley](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Re: Capital One Discover Merger
Date: Wednesday, April 17, 2024 2:36:45 PM

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To: Federal Reserve Bank Secretary

From: Multi-Cultural Development Center – (MCDC)

Re: Capital One Discover Partnership

It is with great pleasure that I comment on Capital One's passion regarding Change Banking for Good mission as it relates to partnering with Discover. Their commitment to help everyone in the community realize financial self sufficiency is evidenced by their commitment to help the disenfranchised and unbanked customer. For years now, I've worked directly with Capital One to promote the credit builder loans and secured credit cards. These loans give the unbanked and underbanked an opportunity to establish credit for the first time or re-establish credit.

Capital One also demonstrates their commitment by funding programs that assist LMI customers who would otherwise never walk into a financial institution. The merger of these two companies is welcomed and will greatly benefit the customers that MCDC serves.

Multi-Cultural Development

(A HUD Approved Housing Counseling Agency)

Yvonne M. Bartley

ED/Program Director

935 Eatman Street

Bossier City, LA 71111

Office: 318-741-5941

Fax: 318-742-0860

From: [Hanna Leen](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support for Capital One
Date: Wednesday, April 17, 2024 3:55:30 PM
Attachments: [Letter of Support Capital One 2024.pdf](#)

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Hello Ann E. Misback,

Please find the following letter of support attached for Capital One as they are seeking to acquire Discover.

Kindly,
Hanna

Hanna Leen

Director of Impact

[415-655-5409](tel:415-655-5409)

tmccommunitycapital.org



Ann E. Misback
Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001

April 12, 2024

RE: Capital One's Discover Acquisition Public Comment

Dear Ann E. Misback,

It is our pleasure to share our experience and engagement with Capital One. TMC Community Capital is a nonprofit Community Development Financial Institution (CDFI) that provides fast, affordable financing to underserved entrepreneurs across California, with a focus on low income women of color. We play a critical role in providing capital to small business owners that have been traditionally excluded from the traditional financial system. With the rise of online lending, these business owners become targets for predatory lending. TMC Community Capital leverage technology to bridge the digital divide and provide an equitable lending experience for our clients.

Since 2022, Capital One has partnered with us in our mission, funding our organization \$130,000 to support our programming. Their support has contributed to our success in funding 207 small businesses with a total of over \$5 million in microloans during the last two years. We appreciate Capital One's commitment to the community and to funding innovative solutions. Together, we are opening doors for entrepreneurs and equipping business owners to be able to create jobs and build generational wealth.

If you have any questions, do not hesitate to reach out. Thank you for your time.

Sincerely,

Daniel Fernandez

Chief Executive Officer
daniel@tmccommunitycapital.org

From: [Tyler Jackson](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of support for Capital One from Low Income Investment Fund
Date: Wednesday, April 17, 2024 4:16:58 PM
Attachments: [Low Income Investment Fund Letter of Support for Capital One.pdf](#)

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To Whom It May Concern,

Please see the attached letter of support for Capital One's merger with Discover.

Best,
Tyler

Tyler Jackson (he/him)

Deputy Director, Impact Capital
tjackson@liifund.org | 415.489.6131 Ext 331

Low Income Investment Fund (LIIF)

49 Stevenson St., Suite 300, San Francisco, California, 94105

www.liifund.org | [Facebook](#) | [Twitter](#) | [YouTube](#) | [LinkedIn](#)

We're driving \$5 billion to advance racial equity. [Find out why.](#)



capital for healthy
families & communities

Daniel Nissenbaum
Chief Executive Officer
Low Income Investment Fund
April 17, 2024

Federal Reserve Bank Secretary of the Board
PO Box 27622
Richmond, Virginia 23261

To Whom It May Concern,

I am writing on behalf of the Low Income Investment Fund (LIIF) to express our profound gratitude for Capital One's longstanding commitment and support of our mission as a non-profit Community Development Financial Institution (CDFI). Over the past decade, Capital One's partnership has been instrumental in advancing our work and creating meaningful impact in the communities we serve.

LIIF has been dedicated to fostering economic opportunity and improving the quality of life for low-income families and communities for 40 years. With a cumulative investment of \$3.5 billion in community development, we have focused on initiatives such as affordable housing, early care and education, healthy food access, and community facilities to address the systemic challenges faced by underserved populations.

Since our partnership with Capital One began more than a decade ago, they have demonstrated unwavering support with more than \$2 million of grant funding, enabling us to provide low-cost financing to projects that promote affordable housing, community facilities, and economic development in disadvantaged areas. This capital has directly empowered entrepreneurs, developers, and nonprofits to create sustainable and equitable solutions that uplift communities. In addition to their grantmaking, Capital one has supported LIIF's work with a \$1 million loan.

Capital One's commitment extends to strategic collaboration and targeted initiatives that align with our shared values. One exemplary partnership is with LIIF's Black Developer Capital Initiative, for which Capital One provided a generous \$500,000 grant. This investment was truly transformative, allowing us to scale our program and provide essential support to emerging Black affordable housing developers. As a result, we have witnessed tangible outcomes, including increased access to capital, capacity building, and the creation of affordable housing units that meet the specific needs of underserved communities.

Capital One's dedication to addressing racial and economic disparities aligns seamlessly with LIIF's mission, and we are honored to collaborate with a partner that shares our vision for a more inclusive and prosperous future. Together, we have the opportunity to continue driving positive change and building resilient communities where everyone has the opportunity to thrive.

Sincerely,
Daniel Nissenbaum
Chief Executive Officer
Low Income Investment Fund

From: [Gabriela Luna](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support for Capital One
Date: Wednesday, April 17, 2024 5:04:39 PM
Attachments: [Outlook-3vturigi.png](#)
[Tejano Center Capital One Letter of Support.pdf](#)

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Dear Federal Reserve Bank,

- Letter of support for Capital One attached.

Please do not hesitate to contact me if you have any questions.

Kind regards,



Gabriela Luna

Director of Housing Programs and Community Redevelopment

HUD Certified Housing Counselor

Office: 713-640-3748

Mobile: 713-252.3610

www.tejanocenter.org

Making It Happen Together

April 16, 2024

Federal Reserve Bank
Board Secretary of the Board
20th Street and Constitution Avenue NW
Washington, DC 20551-0001



#MakingItHappenTogether

Dear Chairman Jerome Powell,

Tejano Center for Community Concerns (Tejano Center) is pleased to offer our input on Capital One's mission to *Change Banking for Good* and how it impacts the community we serve in Houston's East End. Capital One's ongoing and sustaining support of our Affordable Housing and Community Development work has impacted hundreds of families, created thousands of mortgage-ready homebuyers, and supported the development of generational wealth for low-income and working families that will reverberate through generations.

At Tejano Center, our ***mission to educate, transform, and empower families to elevate communities by fostering collaborations, championing equitable resource allocation, cultural preservation, and inclusivity for all*** has been greatly complemented by Capital One's to Change Banking for Good.

The Tejano Center programming you support helps families prepare to manage money, understand credit, identify assistance programs like downpayment and closing costs, get a mortgage, shop for potential homes, and maintain and protect the home post-purchase. Those who complete our nationally recognized curriculum get a certificate valid for 12 months that assists in the mortgage process. Post-purchase counseling is available to those needing support to manage their new status as homeowners, and help is offered dealing with mortgage companies, escrow funds, getting assistance with appraisal districts, and other common needs.

Your support of our efforts to educate potential home buyers and provide pre- and post-purchase counseling has resulted in the creation of 3,386 homebuyers and 4,440 mortgage-ready families. Because Tejano Center serves a predominantly Hispanic, heavily first-generation demographic, these outcomes mean families are establishing themselves and their children, creating wealth, and building stability. According to Habitat for Humanity, children in homes owned by their parents do better in school. Homeownership also provides physical and emotional security, increases civic and social engagement, and leads to better overall health.

Capital One has also supported Project Grad, now known as GRADcafé, a Tejano Center program supporting adult and youth postsecondary success. This program has a 30-year history of providing one-on-one mentoring, helping access financial support, and walking alongside adults and youth through certification and degree processes.

Tejano Center remains grateful for Capital One's sustaining support of our programming and, most importantly, our clients.

Sincerely,
Gabriela Luna
Director of Affordable Housing and Community Development

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From: [Michael Rousseau](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] In support of Capital One concerning the acquisition of Discover
Date: Wednesday, April 17, 2024 5:39:19 PM
Attachments: [Urban Edge support of Capital One acquisition of Discover.pdf](#)

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Please find the attached letter.

Please let me know if you have any questions.

~michael

--

Michael Rousseau
Director of Resource Development
Phone: (617) 989-9363 **Mobile:** (617) 875-3185
Email: mrousseau@urbanedge.org
1542 Columbus Ave., Roxbury, MA 02119



April 17, 2024

Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001
Email: Comments.applications@rich.frb.org

Re: Supporting Capital One's announcement concerning the acquisition of Discover

To all concerned,

Urban Edge is a nonprofit community development organization in Boston with a mission dedicated to strengthening communities and families. Together, we build affordable housing and vibrant, prosperous neighborhoods. We focus on family wealth building through financial counseling and homeownership education, anti-displacement through foreclosure prevention, and resident support services as we construct more affordable housing. In 1974, redlining and displacement of BIPOC families were tearing at the fabric of Boston communities. The determined resident opposition had succeeded in halting the extension of I-95 through the city, but the landscape sustained the scars of cleared land. That's when community leaders came together and founded our agency to rebuild our neighborhood on the "urban edge."

Since 2015, Urban Edge has forged a successful partnership with Capital One, receiving funding and working on programs that have significantly impacted the financial well-being of low to moderate-income (LMI) families in Greater Boston. Our efforts have led to tangible results, such as reducing debt, increasing credit scores, and enabling over 1,000 LMI families to achieve the dream of homeownership. We have also been instrumental in educating and counseling households on financial literacy and the importance of credit.

I am pleased to support Capital One's announcement concerning the acquisition of Discover on behalf of Urban Edge. We know they will continue their work in our community, and we look forward to working with them on additional projects in the future.

Please let me know if I can answer any questions or provide additional details. You may reach me at edorcely@urbanedge.org or (617) 989-9303.

Sincerely,

A handwritten signature in blue ink, appearing to read "Emilio Dorcely".

Emilio Dorcely
CEO

1542 Columbus Avenue
Roxbury, MA 02119
www.urbanedge.org



From: innercity@suddenlinkmail.com
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Bank - COMMUNITY PARTNER COMMENT
Date: Wednesday, April 17, 2024 6:27:14 PM
Attachments: [S24041706050.pdf](#)

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Please see attached document for inclusion in Capital One Bank Community Partner Comments.

If there's in questions or further actions required please contact me by return email or phone call.

Thanks,

Barbara Dashiell, MPA, USN(Ret.)

Executive Director
Inner-city Revitalization Corp.
1902 Main St.
Alexandria, LA 71302
Office: 318.613.1785
Cell: 318.613.1785

"Working together to improve our neighborhoods"



Inner-city Revitalization Corporation

1902 Main Street
Alexandria, LA 71302

Established 1997

Phone: (318) 442-1502

Fax: (318) 487-6935



A 501(c)(3) not for profit corporation.

TIN: 72-1402559

April 17, 2024

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Barbara Dashiell, MPA, USN (Ret.)

Federal Reserve Bank
Secretary of the Board
20th Street & Constitution Ave. NW
Washington, DC 20551-0001

RE: COMMUNITY PARTNER COMMENT

To Whom This May Concern:

First let me introduce our organization, we are Inner-city Revitalization Corporation, Inc. a grassroots non-profit Community Housing Development Organization, specializing in housing development and financial literacy, credit/housing counseling.

Our mission, "To provide the means for access to decent housing and opportunity for homeownership to all by building safe neighborhoods, a stronger community, and more meaningful economic opportunity."

Capital One's financial and community support over the years has helped further our mission, including funding programs and operations. For many nonprofit, grants are a critical lifeline that allows us to provide essential services and keep the doors open to continue serving the community. Capital One's support has made a demonstrable difference in the communities we service as well as our organization. Since our 10 years of partnership, Capital One's financial support and a bank employee serving as a member of our Board of Directors, we have built and sold over 200 homes for homeownership and have counseled for housing/credit, provided homebuyers education and financial literacy classes to over 8,500 program participants.

Our Mission

"To provide the means for access to decent housing and opportunity for homeownership to all by building safe neighborhoods, a stronger community, and more meaningful economic opportunity."

Nonprofits such as Inner-city's exist in every community, are closest to the problems, and understand the issues and with boots on the ground solving those issues, Capital One's support both financially and a member serving on our Board of Directors, affords us the opportunity and expertise to apply for funding from other sources such as the Louisiana Housing Corporation for construction funding. In return, allows us to continue to building housing units, both rental and homeownership for the most vulnerable/underserved members of the community i.e. the low-low to low-moderate families whose housing

needs/opportunities are insurmountable. We work diligently to reduce those barriers to housing/homeownership and financial literacy within these groups.

Although it is not possible for us to fully discuss the degree of appreciation and gratitude we have for Capital One Bank and their many contributions to our organization, communities and families we serve. However, their commitment is unsurpassed and without their commitment to help/reinvest in the community we would not be in such an excellent position to serve as many members of our communities; nor accomplish our mission of providing decent and affordable housing to the low-low to low-moderate income families/individuals.

As Capital One's mission states "***Change Banking for Good***" it holds true as demonstrated in the relationship between this community and Capital One certainly has changed banking for good and we are grateful for our partnership with Capital One bank, they continue to give back and reinvest as well as support the communities they have established businesses in.

In conclusion, our organization supports wholeheartedly any new endeavors Capital One Bank decides to undertake. We believe it will surely change the Investment for the "Good" for all they serve and service.

Thank you in advance for accepting our comments on behalf of a community focused financial institution i.e. Capital One Bank.

Sincerely,



Barbara Dashiell

"Working together to improve our neighborhoods"

From: [Mona Das](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One and Discover
Date: Wednesday, April 17, 2024 6:28:56 PM

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Today I am writing to express my support for the merger between Capital One and Discover.

In today's financial landscape, access to credit is not just a convenience— it's a fundamental tool for families to build wealth and pursue life-changing investments. However, the current system is far from equitable, with many Americans, especially those from low-income or minority backgrounds, facing barriers to entry.

For too long, individuals without established credit histories or from marginalized communities have struggled to access credit, hindering their ability to achieve financial stability and pursue opportunities like homeownership or higher education. Capital One and Discover have both demonstrated a commitment to expanding access to credit through initiatives like eliminating overdraft fees and offering cards with no annual fees.

By joining forces, these two institutions can further expand their reach and impact, bringing their accessible credit programs to millions more families across the country. With Capital One's plans to add Discover cardholders to their customer base, more individuals will have the opportunity to build their credit and establish a solid financial foundation for the future.

Furthermore, this merger has the potential to disrupt the dominance of Visa and Mastercard in the credit card processing market, introducing much-needed competition that can lead to lower costs and improved services for consumers and merchants. Discover's reputation for generous cash back rewards and online banking convenience, combined with Capital One's innovative offerings like no fee cards, can create a more competitive landscape that benefits everyone.

As we strive to build a more equitable economy, it's crucial to support initiatives that expand access to credit and promote competition in the financial marketplace. The Capital One-Discover merger aligns with President Biden's vision for bridging economic disparities and creating opportunities for all Americans. For the sake of hard working families here in Washington State and all across the county, I'm hopeful this merger is finalized.

In gratitude,

Mona

Mona Das (she/her)

From: [Gerald O'Donnell](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Merger Helps Small Businesses
Date: Wednesday, April 17, 2024 8:09:23 PM

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The proposed merger between Capital One and Discover represents a promising opportunity to inject competition into the credit card industry, thereby offering significant benefits for small businesses. By combining forces, or more specifically, through Capital One's ability to issue its cards over Discover's payment network, the company would challenge the longstanding dominance of Visa and Mastercard, fostering a more dynamic and competitive market landscape.

The increased competition introduced by the merger will drive innovation and efficiency in credit card payment systems, translating into noticeable benefits for small businesses. With Discover in a better position to truly vie for market share against the Visa-Mastercard duopoly, there will be more incentives for the four payment networks to better tailor their services to the unique needs of small businesses at more competitive rates.

Moreover, the merger holds the potential to expand access to credit for small businesses, facilitating their growth and success. Capital One and Discover have demonstrated a commitment to credit access, in particular supporting entrepreneurs and small enterprises through their lending programs and financial services. By leveraging their combined resources and networks, a post-merger Capital One bank will have greater reach and more programs to offer small businesses, enabling businesses to invest in expansion, additional staff, and other growth opportunities.

Critics may raise concerns about market consolidation as a result of the merger. However, it is essential to recognize the benefits of increased competition and improved access to credit, while also noting that the credit issuer market is highly fluid and will not be impacted by this merger. By fostering a more competitive environment, the Capital One-Discover merger has the potential to empower small businesses, enhance their financial flexibility, and contribute to their long-term success. As regulatory authorities evaluate the merger, they should prioritize the interests of small businesses and ensure that the merger leads to tangible benefits for this vital sector of the economy.

Gerry O'Donnell
GraySabre LLC
Princeton, NJ

From: nbauer35@verizon.net
To: [RICH BankSup Applications Comments](#)
Subject: [External] Recognition of Outstanding Service
Date: Thursday, April 18, 2024 1:27:57 PM

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On Monday, April 8, 2024 at 10:19:23 AM EDT, nbauer35@verizon.net <nbauer35@verizon.net> wrote:

To whom it may concern:

As a decades long costumer in various Queens CapitalOne branches, I have become very comfortable, to preferably deal with CapitalOne Bank, for most of my financial needs.

The last couple years, I have mostly dealt with the Queens branch, located at 95-25 Queens Blvd, Rego Park, NY 11374, where Mr. Salim Dar is the Sr. Market Manager, who has always provided outstanding customer service to me, when called upon.

I requested his assistance at three different occasions in the past 2 years and each time increasingly realized the same facts, that Mr. Salim Dar

- is always willing and able to provide excellent customer service
- is very knowledgeable, professional attentive and success oriented in a very personal friendly and fair manner.

I could go so far as to state, that in my opinion, the branch in Rego Park is so well managed, because of his positive managerial skills. He solved all issues successfully for me.

I feel the quality of his services, deserve my commendation and that upper management should be aware that they have a great manager leading their branch(es) in CapitalOne Bank.

Sincerely,

Nicolas Bauer

From: [Spencer Ridenour](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Approve Merger for Workers and Merchants
Date: Thursday, April 18, 2024 2:03:54 PM

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As a proud member of the Culinary Union, I know what it means to fight for working families and the importance of stopping one or two companies from dominating the competition, consumers and small business. That is why I see the merger between Capital One and Discover as a beneficial development for Nevadans.

Currently, the credit card payment systems market is dominated by Visa and Mastercard, which control over 80% of all credit card transactions. However, the proposed merger between Capital One and Discover presents an opportunity to inject much-needed competition into the market.

By allowing Capital One to issue its cards over the Discover network, which currently only has about a 4% market share, this merger will create a more robust competitor to Visa and Mastercard. This merger will incentivize all payment networks to improve their products and services, spark innovation to benefit consumers and businesses - and the unions that built those businesses and the middle class - and lower costs. That means businesses and employees like those in Las Vegas that are heavily dependent on credit card usage and benefits will see increased business and help union workers.

President Biden and his administration have prioritized promoting healthy competition in markets, and approving this merger aligns with that vision. By allowing Capital One and Discover to merge, regulators can help create a more competitive market that benefits everyone.

-Spencer Ridenour

From: [Mohamad Siddique](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] discover/capital one
Date: Thursday, April 18, 2024 2:26:57 PM

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I've been working with capital one for a long time and I have had no problems . we had a built a long term relationship they helped my business grow amd adding discover will be great benefit got capital one

From: [Jill Norcross](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Hanna Metuda](#)
Subject: [External] NVAHA Comments on Capital One's Acquisition of Discover
Date: Thursday, April 18, 2024 3:43:28 PM

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PLEASE NOTE: This email is not from a Federal Reserve address.
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Dear Federal Reserve Bank Secretary of the Board,

I am writing on behalf of the Northern Virginia Affordable Housing Alliance (NVAHA), a nonprofit organization whose mission is to promote healthy, sustainable and equitable communities that meet the diverse housing needs of Northern Virginia residents.

NVAHA has been a partner of Capital One since 2018. We have been fortunate to receive critical operating support on an annual basis through their Impact Initiative. We view Capital One as not only a funder of our work, but as a true partner in our mutual goals to advance socioeconomic mobility by advocating for an inclusive society. Our work primarily intersects with Capital One in low- and moderate-income communities as we support the development and preservation of affordable housing in the 5 major jurisdictions NVAHA serves; Arlington County, City of Alexandria, Fairfax County, Loudoun County and Prince William County. Through affordable housing production with supportive services, we are aligned in our mission to close gaps in equity and opportunity.

In addition, NVAHA has been invited to participate in Capital One's extensive Pro Bono program. This type of support is unique to Capital One as they truly leverage the talent and expertise of their own human resources to best serve their community partners to help us build critical capacity within our own organization.

Capital One is also a partner in helping to sponsor our fundraising events as we celebrate our Regional Housing Leaders Awards, which in turn, helps NVAHA leverage other corporate and philanthropic resources. We are proud to share within our community that Capital One is a supporter.

Finally, Capital One makes it easy for nonprofits to participate as a partner. Capital One is mindful of the time required by nonprofit organizations to write grants and apply for funding. The streamlined process and easy access to our Community Impact & Investment Manager as well as our valuable relationships with the Senior Director of Community Finance and his team are so important to our regional work in the affordable housing development field.

Thank you for the opportunity to provide comments about NVAHA's true and impactful

benefits of being one of Capital One's many community partners. We know their commitment to advancing socioeconomic mobility moves beyond words and to collective action across the corporation.

Sincerely,
Jill Norcross

--

Jill Norcross | Executive Director
Northern Virginia Affordable Housing Alliance

*Did you know [NVAHA](#) recently merged with the Alliance for Housing Solutions ([AHS](#))?
Learn more about our [unification](#) and how you can continue to support our collective work.*

703.249.9438 (o) | 703.587.4098 (c)
www.nvaha.org | [@LinkedIn/JillNorcross](#)

From: [David](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger
Date: Thursday, April 18, 2024 4:40:40 PM

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Dear Sir or Madam:

I am excited to express my support for the Capital One-Discover merger, recognizing the merger's potential to significantly benefit both small businesses and greater access to credit.

Small businesses form the backbone of our economy, driving innovation, creating jobs, and fostering community growth, particularly in my hometown of Las Vegas, NV. The small business I own and operate provide a living for me and my family. Small businesses face challenges in the payment processing systems market thanks to Visa and Mastercard's duopoly in which they control 80% of the market. By merging Capital One and Discover's resources and specifically Capital One's ability to issue its cards over the Discover Network, this merger presents a unique opportunity to address these challenges head-on and add in some much needed competition.

Elected officials from across the political spectrum have criticized the duopoly. Senator Dick Durban has said, "Visa and Mastercard have aggressively opposed efforts to bring competition to the credit card market in order to protect the dominant market position they share." If Discover has the opportunity to grow its market share from its current 4%, these larger processors will be forced into further innovation which is always better for merchants. When small businesses have more options in a more competitive market, they'll be able to choose what works best for them at competitive prices.

Capital One's track record of catering to small business needs, coupled with Discover's commitment to providing accessible credit solutions will dramatically improve the way small businesses access financial services. From offering competitive credit card terms to facilitating lending opportunities, the merged entity will empower small businesses with the tools they need to succeed in today's competitive landscape.

In conclusion, I urge regulators and stakeholders to recognize the transformative potential of the Capital One-Discover merger in advancing the interests of small businesses and expanding credit access for all. Let us seize this opportunity to build a better financial future for small businesses.

Please feel free to contact me if you have any questions or concerns.

David Goldwater, Small Business owner

From: [Blake Van Roekel](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One
Date: Thursday, April 18, 2024 4:44:03 PM

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To whom it may concern,

Today I am writing in favor of the Capital One-Discover merger because of the many positive outcomes that will come with it, especially for consumers and agricultural workers, who sometimes struggle to obtain credit in our financial system. As an advocate for the agricultural industry in Washington State, I am always pleased to see proposals that would support rural communities, like Skagit Valley, and the businesses that serve them. Many people living in rural America are often “credit invisible” due to a lack of banking access, meaning they lack established credit histories that traditional lenders use to determine whether an individual is eligible for small business loans or a credit card. However, this merger offers a chance to make further progress tackling these disparities, by combining two companies that have focused on credit access. Capital One is the largest issuer of credit cards to first-time cardholders and offers several services to help people establish or rebuild their credit. And Discover was one of the first card issuers to offer credit cards for no yearly fees. By combining their offerings and philosophy on inclusivity in the financial system, Capital One and Discover can further extend their reach into often underserved communities like mine, offering their financial products that have helped many people without credit or who are rebuilding their credit, get access to the capital they need to succeed. On top of that, the merger can bring real competition to the credit card payment network marketplace, which is currently dominated by Visa and Mastercard who control 80 percent of the market share and have been called out by lawmakers for their anticompetitive practices and high price points. Discover, currently the smallest of the four network companies, will be on stronger footing to compete against Visa and Mastercard because Capital One will be able to issue its cards over the Discover network. More competition could lead to improved products and services at better price points for consumers and merchants. This is especially beneficial for agricultural businesses in Washington and beyond where profit margins are much smaller than the big box stores that can absorb fees that Mastercard and Visa charge. The workers who grow and sell America’s food and the businesses that employ them deserve to be fully included in America’s financial system. Allowing this merger to become final is an opportunity to bring rural communities into the fold of America’s financial system that the Biden Administration should seize.

Thank you,

Blake Vanfield

From: [Stephanie Haas](#)
To: [RICH BankSup Applications Comments; Serena Martin](#)
Subject: [External] Public Comment Letter
Date: Thursday, April 18, 2024 5:14:03 PM
Attachments: [New Hour Letter of Support to the Federal Reserve Bank.pdf](#)

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New Hour for Women and Children - Long Island is delighted to submit the attached letter.

Sincerely,

Stephanie Haas

--

Stephanie Haas
Grants Consultant
New Hour for Women and Children - Long Island
Office: (631)273-3300
Cell: (347)563-3001
<https://newhourli.org/>

newhour

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Executive Director

April 18, 2024

Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551

To Whom it May Concern,

I am writing to express my support for Capital One's application to the Federal Reserve to acquire Discover. Over the past three years, Capital One has shown unwavering support for the work that we do and the justice-impacted women we serve across Long Island communities.

The mission of New Hour for Women and Children- Long Island is to provide meaningful support to currently and formerly incarcerated women, their children, and their families. We build community to promote successful re-entry and lasting reintegration, and to reform unjust criminal justice system policies. We empower directly impacted people to utilize their lived experiences to create lasting reforms to the carceral system.

Capital One's investment in New Hour has been critical in enabling us to provide two of our core programs: our EMERGE Leadership and Advocacy Training Program and our EMERGE 2.0 Financial Wellness Training Program. Since 2021, approximately 150 women have graduated from these two programs.

All of our programming is designed to promote successful re-entry and lasting community reintegration for justice-impacted women. Through our EMERGE Leadership Program, our participants develop leadership, advocacy and community-building skills to help them rebuild their lives after a period of incarceration. Our EMERGE 2.0 Financial Wellness Training Program, on the other hand, provides our participants with the

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tools and resources needed to build financial stability, including budgeting, saving, and credit management skills.

Thanks to Capital One Bank's support, we have been able to keep our cohort sizes small, with an average of 15 women per cohort. This has ensured that our members can immerse themselves in the programs and learn from one another. Based on the data collected, we can confidently say that at least 75% of our program graduates have seen a 10-point or more rise in their credit scores throughout the training, and at least 60% have opened secured credit cards with reputable financial institutions, including Capital One Bank.

One participant in our Fall 2023 cohort said, "*Some of the essential things I learned during the course of this program were the importance of maintaining a good credit score, what factors make up your credit score, how to budget responsibly, and how to begin saving, even if in small amounts.*" This feedback is a testament to the effectiveness of our programs and the impact they have on the lives of justice-impacted women and children.

As we continue to grow and uplift the lives of women and mothers impacted by the criminal legal system, we are looking forward to deepening our partnership with Capital One Bank to create lasting changes for our members and the communities they live in.

It is my hope that the Federal Reserve will approve Capital One's application to acquire Discovery.

Sincerely,

Serena Martin

From: [Julie Zawacki-Lucci](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger Helps Small Businesses
Date: Thursday, April 18, 2024 5:52:09 PM

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To Whom it May Concern:

As a longtime business leader and treasury professional, I wholeheartedly endorse the Capital One-Discover merger. This merger is poised to inject much-needed competition into the credit card payment systems market, which has long been dominated by Visa and Mastercard.

Visa and Mastercard's stronghold on the payment systems network market, processing over 80% of credit card transactions, has led to concerns about lack of competition and subsequent high fees that have led Visa to be investigated by the Department of Justice. The Capital One-Discover merger would challenge this dominance by bolstering Discover as a formidable competitor. Capital One's ownership of Discover's network would allow the company to issue its cards over the Discover network, seriously positioning it as an alternative to Visa and Mastercard. Increased competition means the four payment networks will need to innovate and compete on price to attract customers, benefiting businesses across the country.

Critics of the merger may argue that it would further concentrate the banking and credit card issuer markets. However, such concerns are not borne out by reality. The combined entity would still pale in comparison to the Big Four banks in terms of assets, and the credit card issuer market remains dynamic with over a thousand issuers offering similar products.

President Biden's emphasis on fair competition aligns with the goals of this merger. By fostering a more competitive landscape, the merger supports the administration's economic vision and promotes innovation and consumer choice. Capital One and Discover should be allowed to compete on equal footing, and I fully support this merger as a step towards achieving that goal.

Thank you for your attention.

Julie Zawacki-Lucci

Julie Zawacki-Lucci

NeuGroup | Director, Peer Groups
c/o 61 Rollingwood Dr, North Kingstown, RI 02852
(401) 265-5314 | jzawacki-lucci@neugroup.com
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From: [Selvon Waldron-NCR](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment - Capital One // Discovery
Date: Thursday, April 18, 2024 6:10:33 PM
Attachments: [Outlook-2hrrbi3j.png](#)
Importance: High

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To Whom it may concern:

My organization, Genesys Works - National Capital Region, has been a proud partner with Capital One for several years. Our partnership represents a success in *changing banking for good*. For the last three (3) years, I have proudly served as the Executive Director of Genesys Works - National Capital Region.

Genesys Works is a nonprofit that has provided pathways to career success for students from the Greater DC region through skills training, meaningful work experiences, and impactful relationships. We are the pipeline for young tech/business talent! Every year, we train and place high school seniors in one-year paid tech and business internships with the largest corporations in the region.

In the last three (3) years, Capital One's team members have dedicated over 3000 collective volunteer hours to support our students across the greater DC region. Their team members have provided valuable insights to aid our growth and they have referred countless opportunities. For example: In 2023, we were supported by over 50 Capital One staff volunteers. These volunteers supported our students with professional resume and LinkedIn workshops, interview practice, and college essay reviews. Capital One is embedded in our community and many others.

Cheers,

Selvon

Selvon Malcolm Waldron, MBA (He/Him)

Executive Director

Genesys Works - National Capital Region

609 H Street NE (Suite 500)
Washington, DC 20002

(202) 503-1312

swaldron@genesysworks.org

<https://genesysworks.org/national-capital-region/>

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“
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distant dream, but now I'm
striving for a bachelor's
degree and a career in
business technology.
”

MOHAMED T.
GENESYS WORKS CLASS OF 2023

From: [B](#)
To: [RICH BankSup Applications Comments](#)
Cc: [B](#)
Subject: [External] Capital One Discover Merger Key for Credit Access
Date: Thursday, April 18, 2024 6:35:12 PM

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Bradley Simmons - Owner of Best Row Realty, Inc.

As the owner of Best Row Realty, Inc. in New York, I am eagerly anticipating the potential benefits that the proposed merger between Capital One and Discover could bring, particularly in expanding access to credit and boosting homeownership opportunities.

Access to credit plays a pivotal role in the real estate market, enabling individuals and families to secure mortgages and fulfill their dreams of homeownership. However, many aspiring homeowners face challenges in obtaining credit, especially those from underserved communities or with limited credit histories.

The merger between Capital One and Discover presents an exciting opportunity to address these challenges and expand credit access to a broader range of individuals. Both companies have a track record of innovation and a commitment to making credit more accessible through initiatives like eliminating overdraft fees and offering no-fee credit cards.

By combining their resources and expertise, Capital One and Discover can reach more potential homebuyers who may have previously been excluded from the traditional credit market. This expanded access to credit will not only empower individuals and families to achieve homeownership but also strengthen the overall real estate market in New York and beyond.

Enabling more people to qualify for mortgages and invest in homeownership, this merger has the potential to stimulate demand for housing, drive property values, and bolster economic growth in our community. I urge regulatory agencies to recognize the positive implications of this merger for expanding credit access and supporting homeownership opportunities, aligning with the goals of the Biden Administration. By approving this merger, regulators can contribute to the administration's vision of promoting economic equity and opportunity for all Americans.

Bradley Simmons
P.O. Box 731
Bronx, NY 10451
bestrow@gmail.com

From: [Myles Taste](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Merger will Improve Competition
Date: Thursday, April 18, 2024 6:46:11 PM

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As a longtime advocate for my community of Richland County, South Carolina, I am deeply committed to supporting all residents in their wellbeing and economic prosperity. That is why I am writing in support of the Capital One-Discover Merger. The merger could improve access to credit for countless families in communities like mine because it provides a path to homeownership; widely recognized as a cornerstone of financial stability and wealth-building.

For many individuals and families, homeownership represents more than just a place to live—it's a pathway to financial security and upward mobility. However, achieving the dream of homeownership often hinges on access to affordable credit options.

Unfortunately, many families, particularly those from marginalized communities, face significant barriers when it comes to accessing credit. Whether it's due to limited credit history, past financial difficulties or limited financial literacy, often compounded by systemic inequities, far too many people are shut out of the traditional banking system and denied the opportunity to pursue homeownership.

The Capital One-Discover merger offers solutions because it combines two companies who are industry leaders in credit access, particularly for those who are rebuilding their credit or who lack credit. Capital One offers multiple credit card programs like Platinum and Quicksilver that offer the opportunity to build your credit even if you have limited credit history. They also provide "secured" options whereby users can put down a deposit that becomes their credit limit, offering the ability for folks to build credit while avoiding the debt trap that too many fall into. On top of that, Discover was one of the first companies to offer cards for no fees. Together, the companies can lead even more on credit access.

As a Vice Chair of the Richland County Democratic Party, I am proud of the work the Biden Administration has done to grow the economy from the middle out. I believe that the Capital

One-Discover merger has the potential to make a meaningful difference in the lives of countless individuals and families in our community. By expanding access to credit and promoting homeownership, the merger aligns with our party's values of economic justice and opportunity for all.

From: [Liliana Hutcheson](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital one and Discover merger
Date: Thursday, April 18, 2024 10:17:29 PM

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Hello,

I am writing to voice my strong support for the proposed merger between Capital One and Discover. I'm the Organizing Director for All in Education, an organization dedicated to ensuring that no child is at risk of falling behind in their education, and we recognize the parallel importance of ensuring no person is left behind in their ability to achieve financial stability.

Just as access to quality education is essential for empowering individuals and communities, access to credit is fundamental for economic empowerment and upward mobility. Both Capital One and Discover have demonstrated a commitment to expanding access to credit and financial services, particularly for underserved communities and individuals who may have been previously "credit invisible."

Capital One's initiatives to eliminate overdraft fees and offer accessible credit cards, combined with Discover's reputation for customer-friendly banking services, have already made significant strides in bridging the credit gap for low-income families and small businesses. By joining forces, Capital One and Discover can further expand their reach and provide credit to even more Americans, including those who may have been excluded from traditional credit markets.

This merger has the potential to uplift Americans who have been historically marginalized or underserved, empowering them to participate more fully in the credit economy and build a solid financial foundation for themselves and their families. Just as access to education opens doors of opportunity for children, access to credit opens doors of opportunity for individuals and communities to achieve financial security and prosperity.

By approving this merger, regulatory agencies can help advance economic equity and opportunity for all Americans, aligning with President Biden's agenda to promote fairness and justice in our economy.

Thank you for your time,

Liliana Hutcheson
Organizing Director
All in Education

From: [Patrick Sieng](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger Will Expand Access to Capital
Date: Friday, April 19, 2024 12:09:46 AM

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To Whom It May Concern:

As a Real Estate Professional here in Oregon, I am excited about the potential impact that the proposed merger between Capital One and Discover could have on expanding credit access and its direct impact on homeownership.

Access to credit is a critical factor in the ability to purchase a home for many individuals and families. However, for far too long, limited credit access has been a barrier for aspiring homeowners, especially those from underserved communities.

Capital One and Discover have both demonstrated a commitment to expanding access to credit through their innovative initiatives and customer-friendly services. By joining forces, they can leverage their resources and expertise to reach even more individuals who may have previously been excluded from traditional credit markets.

Expanding credit access not only benefits individuals and families seeking to purchase a home but also strengthens the overall housing market and boosts economic growth. When more people have access to credit and the opportunity to build it, they can qualify for mortgages and invest in homeownership, which in turn stimulates demand for housing and drives economic activity in communities across Oregon and beyond.

The merger between Capital One and Discover has the potential to open doors for aspiring homeowners, empowering them to build wealth for themselves and their families. By expanding credit access, this merger can help create a more inclusive and equitable housing market, where homeownership is within reach for more people, regardless of background or income level.

I am hopeful that regulatory agencies will recognize the positive impact that this merger could have on expanding credit access and supporting homeownership opportunities. By approving this merger, regulators can help pave the way for a stronger, more accessible housing market that benefits individuals, families, and communities throughout Oregon and across the country.

Sincerely,
Patrick Sieng
5434 River Rd N #371
Keizer, OR 97303

Patrick Sieng, Principal Broker/Owner – License 201206833

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[Division of Sieng Enterprises](#)

From: [Aaron R. Smith](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] More Competition
Date: Friday, April 19, 2024 10:22:29 AM

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I'm writing in favor of the proposed Capital One-Discover merger. The finalization of this merger would be a win for small businesses like mine who currently have no choice but to bear the brunt of the consequences caused by the lack of competition in the payment processor market. Right now, Visa and Mastercard control 80% of the payment processor market and their dominance stifles competition in the market. Their anti-competitive practices have led to criticism from lawmakers and to Visa even being under DOJ investigation. However, this proposed merger would elevate Discover's payment processor, which currently controls just four percent of the market, as a viable competitor to disrupt the Visa-Mastercard duopoly.

Disrupting this duopoly would be a win for small businesses who would be able to negotiate more favorable terms and push all payment processors to adopt more competitive pricing and improve their services. Even the Bloomberg Editorial Board agrees that "The Capital One-Discover merger is likely to inject much-needed competition into the card market," therefore expanding consumer choice and helping small businesses. Small businesses drive economic growth all over the country and are the cornerstone of the middle class. The Biden Administration has been committed to uplifting small businesses, and allowing this merger to become final is another opportunity to make good on that promise.

Sincerely,
Aaron R. Smith

From: [Felipe L](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger
Date: Friday, April 19, 2024 11:26:15 AM

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To Whom It May Concern,

As a Community Representative in the Latino community, I feel compelled to voice my support for the merger between Capital One and Discover. This merger could pose a significant step forward in increasing access to credit, a vital component of economic empowerment for individuals and communities, especially those historically underserved like the Latino community. Credit access poses challenges to marginalized communities. Limited options and high barriers of entry have made it difficult for many individuals to obtain credit, hindering their ability to achieve financial stability. This is a problem that hits close to home for me, as I've witnessed firsthand the impact of limited credit access on Latino families trying to build a better future.

The merger between Capital One and Discover offers a pragmatic route to continue addressing these challenges. Both companies have a track record of helping those who are often left out of the financial system and by combining their strengths and resources, the merged entity will be better equipped to better serve these communities. This includes offering innovative credit products and services tailored to the needs of first time credit users and those who are "credit invisible." Critics concerned with market consolidation can take solace knowing that both Capital One and Discover have acted in good faith in the credit card market, and will still be a significantly smaller entity than the three larger credit card networks. This merger will only serve to bring credit to a wider audience that have been previously excluded from credit issuers.

In conclusion, as a champion for economic empowerment and equity, I believe that the Capital One-Discover merger has the potential to make a meaningful difference in the lives of Latino individuals and communities across the nation. By expanding access to credit and promoting financial inclusion, the merger aligns with our shared values of opportunity and prosperity for all.

Thank you,

Felipe Luna

[Sent from my iPhone](#)

From: [Zelalem Adefris](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment
Date: Friday, April 19, 2024 11:31:05 AM
Attachments: [image.png](#)
[Capital One 2024 Letter of Support.docx.pdf](#)

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Please see our letter attached.

Best,
Zelalem

--

Zelalem Adefris, MPH (she/they) - [what's this?](#)
(*[Click to hear how my name is pronounced](#)*)

CEO

[786-414-1300](tel:786-414-1300) ext. 300 (Direct)

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April 22, 2024

Secretary:
Korene Stuart

Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001

Treasurer:
Charmel Maynard

Sent via email to: Comment.applications@rich.frb.org

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Francoise Cham
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Melanie Garman
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Bereatha Howard
Jason Katz
Iya Overstreet
Daniella Pierre
Gina Ciraldo Stabile
Marjorie York

Dear Federal Reserve Bank Secretary of the Board,

Founded in 1996, Catalyst Miami is a nonprofit organization that works with our communities to both address immediate needs and build a better future together. Our mission is to build power with frontline communities throughout Miami-Dade County, Florida to collectively advance justice and achieve shared prosperity. Our vision is a just society where everyone can lead healthy, prosperous, self-determined lives.

CEO:
Zelalem Adefris

At Catalyst Miami, we know that shifting the economic, social, and political systems that exclude and oppress many people, especially Black and Brown communities, requires sustained power-building and people-led solutions that go beyond surface-level reforms. Catalyst Miami is working to broaden and deepen participation in our democracy and economy by communities of color in Miami-Dade, so that the workings of our government and our society's systems — from zoning and taxation to criminal justice and healthcare — are shaped by the people they are supposed to benefit. In the next decade, we are building towards a culture-shift in Miami-Dade where:

Former Chairs:
Alicia Apfel
Shirley Aron
Laura Atkins
D. Marcus Braswell, Jr.
Judith Bunker
Esther Castiglia
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Cornell Crews
Damian D. Daley
Susan Jay
Honorable Betty Metcalf
Claire Raley
Edward Soto
Gina Ciraldo Stabile
Charles M. Auslander

- Cooperative economic models are common — we cultivate economic democracy through shared ownership and decision-making over community assets.
- Participatory and community-controlled decision-making is the norm for government and other institutions — we collaborate so that investments made into communities support the current community and are determined by equity.
- We, a community where most of us (51%) are in-poverty or considered the working poor and most of us (55%) are immigrants, are not apathetic — we know our worth so we demand better, organizing ourselves to achieve wins that improve the quality of life for all.

Founding Executive Director:
Daniella Levine Cava

Our organization's relationship with Capital One dates back to 2017, the first year that we received an annual grant from the institution. We have received an annual grant from Capital One each year since, between \$20,000 to \$30,000 for various aspects of our programming including for our Prosperity Campaign Wealth and Health Services, lending circles, worker cooperative programming, and small business technical assistance. We receive pro bono support for our HR, IT, and intake processes through Capital One's Pro Bono Volunteerism program. We also are proud to serve on Capital One's Community Advisory Council.

The largest portion of these funds received from Capital One throughout the years since 2017 have been put to use towards our flagship Prosperity Campaign Services. Through this programming, Catalyst Miami implements innovative programs that improve the financial stability, health, and overall resilience of frontline community members throughout Miami-Dade County. Prosperity Campaign was among the nation's first models of integrated human service delivery, helping clients address and navigate various complex needs and systems in one place.

Our Prosperity Campaign Wealth Services include household budgeting, credit

Our mission: To build power with frontline communities throughout Miami-Dade County to collectively advance justice and achieve shared prosperity.

Catalyst Miami, Inc. P.O. Box 381949 Miami, FL 33238 • 305-576-5001 • www.catalystmiami.org

coaching, financial aid enrollment, tax prep, savings programs, income supports, and access to no-fee banking. Our Prosperity Campaign Health Services for low-wealth individuals and families include public benefits enrollment, health insurance enrollment (including Affordable Care Act Marketplace), safety net navigation for uninsured individuals (FQHCs, free clinics), and health coaching.

Thanks to support from funders like Capital One, Catalyst Miami has been able to grow our impact supporting low-wealth communities in Miami-Dade County. In 2023 alone we were able to accomplish the following:

- 12,652 community members supported
- 474 accessed health care coverage
- 191 small business clients and cooperative entrepreneurs supported
- 8,221 youth and parents invested in and educated through Future Bound Miami children's savings account initiative
- \$743,840 in direct financial benefits to 1,160 households through Prosperity Campaign Services
- 722 community members activated through our Overtown and North Miami Community Champions efforts and Neighbors to Leaders Fellowship projects
- 92% increase in confidence among our 148 leadership program graduates in speaking to government decision-makers about critical community issues
- \$48,500,000 invested by the County in climate justice, housing justice, and public health and safety programming, as advocated for by 1,563 community members involved in our organizing efforts

For more information, please visit Catalyst Miami's [2023 Annual Report](#).

We very much appreciate Capital One's annual grant support throughout the last seven years, and look forward to a continued partnership to support Miami-Dade County's frontline communities.

We would be happy to provide further information upon your request. I may be reached at zelalema@catalystmiami.org.

Sincerely,



Zelalem Adefris
Chief Executive Officer

From: [Carl Dillon](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment Letter Capital One
Date: Friday, April 19, 2024 11:50:27 AM
Attachments: [Outlook-3vlfkkey](#)
[Outlook-signature_.png](#)
[Outlook-signature_.png](#)
[Outlook-signature_.png](#)
[Outlook-signature_.png](#)
[UREC Public Comment Letter.pdf](#)

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Dear Board of Governors:

Please accept the attached public comment letter for Capital One's application to the Federal Reserve to acquire Discover.

Sincerely,



Carl Dillon, Jr. | President & CEO
Urban Restoration Enhancement Corporation

(225) 356-8871 Ext. 208
www.urecbr.com

*Transforming Communities by Investing in
People and Restoring Neighborhoods.*



Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-00011

Reference: Public Comment Letter Capital One's Application to the Federal Reserve to acquire Discover

Dear Board of Governors:

Urban Restoration Enhancement Corporation (UREC) is a nonprofit community development organization that has been serving Baton Rouge, Louisiana since 1992. Our mission is to transform communities by investing in people and restoring neighborhoods. UREC's work is most evident in youth development and affordable housing—areas in which Capital One has been a remarkable community partner.

UREC and Capital One partnered to provide financial literacy to high school students enrolled in our afterschool and summer initiatives that prepare youth for college, careers, and entrepreneurship. Thanks to Capital One, more than 130 youth have learned valuable lessons about managing finances, banking, and credit to better prepare for the future.

UREC has also worked with Capital One to provide homebuyer education to prospective new and first-time homebuyers.

Most recently, Capital One served as a community partner on the Satinwood Grove and Foster Oaks developments, which provide 22 new, affordable, single, and multi-family homes in North Baton Rouge. The projects reflect more than \$6 million in new community development for a prioritized area in Baton Rouge and will enhance the quality of life for the families (low to moderate-income) who will reside in these new neighborhoods.

UREC and the families we serve are in a stronger position because of Capital One's investment in our organization and community. UREC truly values the partnership, resources, and knowledge Capital One offers to Baton Rouge and supports its endeavors to become an even stronger banking partner and institution.

Thank You,

A handwritten signature in blue ink, appearing to read "Carl Dillon Jr.", is positioned above the printed name.

Carl Dillon Jr.
President & CEO

Urban Restoration Enhancement Corporation

From: [Cornel Darden Jr](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Comment
Date: Friday, April 19, 2024 11:59:28 AM
Attachments: [Comment on Cap One - Discover Merger.pdf](#)

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Please see the comment below. It has also been attached as a PDF for your convenience:

As the Chairman of the Chicago Southland Black Chamber of Commerce, I strongly support the proposed merger between Capital One and Discover. This merger is a promising opportunity to address long standing disparities in the financial system and enhance credit access, particularly for underserved communities. Systemic barriers have historically prevented Black and Brown communities from fully participating in the financial system and building credit, causing them to become “credit invisible,” which makes it harder to secure financial services like credit cards or business loans from traditional lenders. Fortunately, this merger creates a pathway to include those who have been left behind by other financial institutions into the fold.

Capital One and Discover have a demonstrated commitment to expanding credit access, especially for individuals with limited credit histories. Capital One is the largest credit card issuer to first time cardholders and offers innovative financial products to help people repair their credit. Capital One's innovative approach in providing tailored financial products and services to diverse communities, including first-time credit card holders and minority communities, exemplifies their dedication to fostering financial equity in America. Discover is also known to offer credit cards to people without established credit histories or seeking to improve their credit. By combining their resources and unique offerings, a Capital One-Discover bank can build on its mission to expand credit access to all Americans and continue to offer innovative financial products to small businesses and consumers. This will help people in underserved communities start and sustain businesses so they can continue to create jobs and drive economic growth.

This merger will also make the payment network industry more competitive by empowering a viable competitor to Visa and Mastercard, which will be a win for small minority owned businesses. Although there are four payment processors, Visa and Mastercard process 80% of all transactions while Discover’s network processes just four percent. Senator Dick Durbin (D-IL) has said “Visa and Mastercard have aggressively opposed efforts to bring competition to the credit card market in order to protect the dominant market position they share.” This merger is a unique opportunity to disrupt the Visa and Mastercard duopoly. A new competitor will push Visa and Mastercard to compete for the opportunity to work with merchants by improving their prices and innovating their services. The Biden Administration has made it its mission to build a more fair America and uplift communities that have been left behind. Allowing this merger to proceed will pave the way for a fairer financial system and create more competition in an industry that desperately needs it.

--

Best Regards,

Dr. Cornel Darden Jr. | *Chairman of the Board*
Chicago Southland Black Chamber of Commerce

Mobile: 815-341-1264 | Office: 708-501-7615

Email: cornel@southlandblackchamber.org



Chicago Southland

Black Chamber of Commerce

Capital One - Discover Merger

As the Chairman of the Chicago Southland Black Chamber of Commerce, I strongly support the proposed merger between Capital One and Discover. This merger is a promising opportunity to address long standing disparities in the financial system and enhance credit access, particularly for underserved communities. Systemic barriers have historically prevented Black and Brown communities from fully participating in the financial system and building credit, causing them to become “credit invisible,” which makes it harder to secure financial services like credit cards or business loans from traditional lenders. Fortunately, this merger creates a pathway to include those who have been left behind by other financial institutions into the fold.

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Telephone: 708.501.7615

Website: www.southlandblackchamber.org

Email: info@southlandblackchamber.org

From: [Lori Caplis](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Credit Card Merger
Date: Friday, April 19, 2024 12:25:42 PM

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To whom it may concern:

I am writing in full support of the proposed Capital One-Discover merger, especially considering its potential benefits for small businesses like mine in Montana. As a small business owner myself, I understand the challenges we face, made harder by a lack of choice and competition when it comes to which credit card payment processing systems we use.

The current market dominance of Visa and Mastercard presents a significant obstacle for small businesses, often leading to limited options and higher costs. The merger of Capital One and Discover offers hope by introducing a much-needed, stronger competitor into the payments systems market. This increased competition would improve services, ultimately benefiting both small businesses and consumers alike.

Despite the presence of just four payment systems companies, Visa and Mastercard dominate the market as a duopoly, handling over 80% of credit card transactions. This limited competition has enabled both companies to stall in market innovation-forcing consumers and businesses to accept their services. The Department of Justice has even launched an investigation into Visa due to these concerns.

The merger also provides potential for enhanced access to financial services for minority communities. Historically, these communities have faced significant barriers in accessing credit and financial resources. Both Capital One and Discover have histories of helping those who have lacked access to capital and credit, including those in minority communities and first-time credit card holders. By combining their resources and networks, Capital One and Discover can extend their reach into underserved communities.

In conclusion, I firmly believe that the Capital One-Discover merger holds great promise for small businesses, not only in Montana but nationwide. By fostering competition, expanding access to financial services, and expanding credit access to underserved communities, this merger has the potential to create a more equitable and prosperous financial landscape for all.

Lori Caplis

From: [Verni Howard](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One and Providence House
Date: Friday, April 19, 2024 12:57:56 PM

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Dear Federal Reserve Board:

My name is Verni Howard and I have the honor of serving as Executive Director at the **Providence House**.

After serving more than 18-years as a corporate banker, I ended my career with JPMorgan Chase and started a brand new journey working in the non-profit sector. Never would I have ever imagined the impact that banking has within the nonprofit world and the importance of having a great banking partner. Capital One has been an amazing partner to Providence House and so many others in northwest Louisiana.

Whenever banks merge, change names or add new components, there is always some level of pause in the community. However, I am excited about the expansion that will surely come as a result of the merger with Discover. I anticipate even greater impact! Speaking of impact, let me share just a snapshot of the importance of the Capital One relationship with Providence House:

- 1) The bank afforded us an audience with the Capital One team to share mission and vision. I presented Providence House to our local community and as a result, Capital One reached back. A group of bankers spent several weeks teaching money principles to homeless children at Providence House. They planted a seed that continues to germinate some three years later. Daniel Robalo, a banker, continued to serve as a mentor to some of our boys within the program. Today, Daniel is an officer with the Shreveport Police Department and remains connected to the mission of the agency. This "merger" of missions all started with one single meeting afforded by the Capital One team!
- 2) Providence House was featured on Capital One's website during Women's Awareness Month. What an honor to share our platform/mission and vision across the entire Capital One platform- that's impact started at the grass roots level and continues.
- 3) Financially, we simply could not do this work as an emergency shelter for homeless men, women and children, without the ongoing support from the bank. The Foundation has contributed nearly \$78,000 to the work and mission of Providence House. WOW! As a former banker, it is my mission to share the ROI with every single donor. Because we continue to leverage every dollar, contributing to the work and mission of Providence House is a win for the agency and the bank.

This is just one partnership! When considering the depth and breadth of the bank's commitment to the community you can now understand the exponential impact Capital One

has across the footprint.

In conclusion, I felt it important to share the importance of Capital One to our community!

Many thanks,
Verni Howard

Verni Howard, MPA, CNP
Executive Director/Providence House
(318) 221-7887 ext. 101 Office
(318) 230-3294, Cell

(318) 221-7976, Fax

www.theprovidencehouse.com

[Be Friends with Providence House!](#)

signature_412580740



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From: [Ken Ampy](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter in support of Capital One/Discover
Date: Friday, April 19, 2024 1:06:44 PM
Attachments: [Astyra support for Capital OneDiscover.pdf](#)

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Please see my attached letter. A signed copy has been mailed as well.

Sincerely,

Ken Ampy, *CEO*

Email: kampy@astyra.com

Desk: 804.433.1112 **Fax:** 804.433.1101

www.astyra.com

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Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001

April 19th, 2024

To Whom It May Concern:

I am writing this letter in total support of Capital One's application to acquire Discover Financial Services. My name is Ken Ampy, and I am the co-founder and CEO of Astyra Corporation. For 27 years, Astyra has been a provider of workforce and staffing solutions in the disciplines of information technology, healthcare, finance, call centers, and administrative support. One of the core principles of our organization is our commitment to the communities we serve. That philosophy keenly aligns with that of Capital One which is why we are so willing to offer our support in the form of this letter.

We first became a tier-1 vendor to Capital One 27 years ago. This long-standing relationship has benefitted our organization in numerous ways. First, the relationship has contributed to our growth. Our firm had only 4 total employees when we first began the engagement. Capital One, however, allowed us the runway we needed to mature and grow. We would go on to staff over one thousand Astyra's associates on various Capital One projects over the years. With each Capital One expansion, our growth also included geographic expansion beyond Virginia to states including Texas, California, Illinois, Washington, Louisiana, and others; making us a national organization. Their success has meant our success.

However, the focus of my comments are intended to highlight Capital One's commitment to the community and our development is a perfect example of their support of small and mid-sized businesses; and in particular our minority-owned business. Early in our evolution, both myself and fellow co-founder Sam Young were participants in Capital One's first-ever mentor/protege program. This multi-year connection to a Capital One executive would lay the foundation for our personal development as executives in our own right. Additionally, I was personally sponsored by Capital One to attend the Kellogg School of Management's "*Advanced Management Education*" program. Their investment in our personal and professional development has directly led to our company's



overall success. Other assistance has included 15-day payment terms for minority businesses, and the annual Supplier Summit hosted each year continues to assist businesses in their development and education.

Through our company's ups and downs, good and bad times over the years, the business we do at Capital One has been a cornerstone of our success and growth. The results of their investment into Astyra are evidenced in many ways. Astyra Corporation's inclusion last year to the prestigious INC. Magazine "*Fastest Growing Companies in America*" list marks the 7th time we've received that honor. Last year was also our appearance on the IC100 list of the "*Top 100 Inner City Businesses in America*" for the 5th time. And next month, both Sam and I will be inducted into the "*Richmond Business Hall of Fame*". At some level, all of these accomplishments are made possible by our relationship with our longest-standing client in the form of Capital One.

By acquiring Discover, Capital One has the opportunity to leverage its expertise and resources to further support communities and businesses across the country. The combined strengths of Capital One and Discover would create a powerhouse in the financial services industry, capable of driving meaningful change and making a positive impact on millions of lives.

In conclusion, I wholeheartedly support Capital One's application for the acquisition of Discover. I am confident that Capital One's commitment to community development and small business growth will only be strengthened by this acquisition, and I look forward to witnessing the positive impact it will have on communities and businesses alike.

Thank you for considering my thoughts on this matter. If you have any questions or would like further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Ampy", is written over the typed name and title.

Ken Ampy, CEO
Astyra Corporation

From: [Friar, Jenny](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Jamie Seagraves \(jamie.seagraves@capitalone.com\)](mailto:jamie.seagraves@capitalone.com)
Subject: [External] Public Comment regarding Capital One
Date: Friday, April 19, 2024 1:35:27 PM
Attachments: [image001.png](#)

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Dear Friends at the Federal Reserve,

My name is Jenny Friar, and I serve as the CEO at St. Joseph's Villa in Richmond, Virginia. The Villa provides nearly 20 social services to more than 3,000 children and families throughout Central Virginia each year and for more than 2 decades, we have enjoyed an incredibly fruitful partnership with Capital One. I am proud to write this letter of appreciation for their work in the community, enthusiastically endorse their new relationship with Discover, and tell you a bit about how Capital One has generously given their time, treasure, and talent to support Villa children and families.

I believe Capital One is truly committed to bettering communities. Leaders from Capital One currently serve on both the Villa's Board of Trustees and Advancement Committee, and each year we welcome hundreds of employees to our campus as volunteers who contribute more than 600 hours of service annually. They've been leaders in supporting our annual "Season of Hope" campaign that provides meal kits, household essentials, holiday gifts and more to every client we serve. Over the last several years, Capital One has also provided invaluable improvements to Villa systems through their pro-bono work by streamlining our admissions process for educational programs, supporting new budgeting software for our finance department, enhancing our onboarding process with our HR team, and creating online forms for our Housing and Homeless Services program. They have also donated nearly \$1 million through their grants program and through employee designated gifts over the last 25 years. Capital One grants have supported all Villa programs – across our educational, mental health, and housing services. This sustaining financial support is critical to the Villa's ability to provide these life-changing, and often times, life-saving, services in our community. Capital One's investment in the Villa is second to none, and we are so grateful for their compassion and care for this community.

It is an honor and a pleasure to write to you on Capital One's behalf and I thank you for

taking the time to read this letter.

Jenny Friar

CEO, St. Joseph's Villa

Jenny Friar

CEO | St. Joseph's Villa



jfriar@sjvmail.net

P 804.200.1618 M 240.271.7274

8000 Brook Road Richmond, VA 23227

www.NeverStopBelieving.org

From: [Darius Jones](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger Key for Credit Access
Date: Friday, April 19, 2024 1:47:57 PM

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Borrowing on credit is a crucial pathway for families to accumulate wealth and enable significant investments such as homeownership and higher education. However, access to credit is contingent upon establishing a favorable credit score, a process that currently presents barriers for many Americans, disproportionately impacting minority communities including those who are “credit invisible.” Black Americans know this feeling all too well. We know how often disenfranchised communities are locked out of the financial system. We aim to turn more people from underserved communities into banking customers, homeowners, and small business owners.

In pursuit of a more equitable financial landscape, it is imperative that policy makers empower banks who have prioritized credit access. As the Founder and President of the National Black Empowerment Council, I have made it my mission to advocate for policies that support the Black community's growth and potential. That is why I am urging regulators to accept the proposed merger between Capital One and Discover. Both Capital One and Discover have earned reputations for enhancing credit accessibility through various initiatives. Capital One's elimination of overdraft fees and Discover's policy of cards with no annual fees have significantly improved access to credit and banking services. Capital One, the largest issuer of credit cards to first-time cardholders, has pioneered credit cards for borrowers who are building or rebuilding their credit. The potential merger between these two entities promises to extend credit accessibility even further. Capital One anticipates integrating Discover's 305 million cardholders into its customer base, thereby broadening the reach of its credit-building programs, a significant stride towards a more equitable society and in line with the Biden administration's economic agenda.

The empowerment of the Black community has been my life's work and helping more people in my community get access to credit is a big part of that empowerment. President Biden has spoken many times about his commitment to addressing economic inequalities in the United States and the proposed Capital One merger has the potential to uplift all Americans, not just big corporations and the ultra-wealthy. It is imperative for the banking regulatory agencies to support this merger to benefit individuals who are credit invisible or seeking to rebuild their credit.

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From: [Jason Rubin](#)
To: [RICH BankSup Applications Comments](#)
Cc: "jason@richr.com"
Subject: [External] COMMENTARY RE CAPITAL ONE ON BEHALF OF RICHR INC.
Date: Friday, April 19, 2024 4:14:34 PM

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Dear Federal Reserve,

I am the chief development officer of Richr Inc. a real estate based company that offers brokerage, title, and closing services as well as wealth management solutions for its national clientele. Richr is a proud client of Capital One, and I am proud to write this testimony concerning Richr's relationship with the bank. Over the past 3 years, Richr and Capital One has created an beautiful business friendship that we find uniquely special. Their management of our account is intimate, and we really feel (and know) that they have our best interests at heart. Ryan Coughlin, Ariel Ramos, and Alessandra Shahnazarian are instrumental in making sure that we have a seamless partnership and that we are able to benefit from all of their products and services. This wholistic approach is very refreshing these days and has helped us create a strong bond with them and Capital One. As we are growing, we hope to continue to grow our relationship with the Capital One family, and the wonderful team that supports us. Please feel free to contact me at any time should you have any questions.

Warmest regards,

Jason

Jason R. Rubin, Esq
Chief Business Development Officer
Richr Inc.
2627 NE 203 St. Suite 201
Aventura, Florida, 33160
(305) 582-4631
Jason@jrubinlaw.com

From: [Jonathan Pattillo](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Cap One - Discover Merger comments
Date: Friday, April 19, 2024 8:23:44 PM

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Comment

Supporting working families and small businesses that build the American middle class is a major reason why I spent over a decade working in Democratic politics to elect people who will fight for families. It's also why I see the strong benefits in the proposed merger between Capital One and Discover. This merger presents a tremendous opportunity to bolster competition in the financial services sector, particularly in the realm of payment networks, and will undoubtedly benefit small businesses and underserved communities in Nevada and across the nation.

The current dominance of Visa and Mastercard, which control 80% of the payment processing industry, has long been a concern for small businesses. Discover, with its modest 4% market share, has struggled to challenge this duopoly effectively. However, by joining forces with Capital One, the Discover payment network can significantly enhance its competitiveness, inject much-needed competition into the market and emerge as a true challenger to the current duopoly.

Increased competition will compel all payment networks to vie for merchants' business, driving improvements in services, and fostering a more equitable marketplace.

Some critics may claim a concern about market consolidation, but experts like Alden Abbott, former General Counsel of the Federal Trade Commission, have affirmed that this merger could actually enhance competition and consumer choice. Moreover, this type of enhanced competition also aligns with President Biden's commitment to ensuring fair competition in the marketplace.

For Nevada's small businesses and communities, access to credit and competitive payment networks is an essential next step for economic growth and prosperity. I hope regulatory agencies recognize the potential benefits of this merger and support its approval, paving the way for a more inclusive and equitable financial system that uplifts all Americans, regardless of background or geography.

From: [ericka jones](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Credit Card Merger
Date: Friday, April 19, 2024 8:44:22 PM

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I am writing to express my support in the Capital One-Discover merger. Both companies have been leaders in helping people join the credit economy, which is important to communities like mine.

Capital One, historically, has been a leader in helping people get access to credit. Minority communities are especially harmed by lack of access to credit with Black and Hispanic individuals being about twice as likely to be “credit invisible.” This means that these individuals have harder times getting housing and starting businesses. Capital One offers many ways to help people become credit visible. They offer secured credit cards, which have a refundable deposit as the credit limit which helps people avoid debt traps that too often hold back people from minority and lower income communities.

Capital One is a leader in being a first-time credit card issuer. They have also stopped charging overdraft fees and have no-fee cash withdrawals. Discover was the first credit card issuer that offered credit cards without an annual fee. Often banks’ fees are unaffordable and annual fees and overdraft fees often hurt people that are already hurting financially. These policies benefit minority communities that are too often left behind in our economy.

The Biden administration has made it clear that it wants to make sure everyone is able to participate in the economy. I think a Capital One-Discover merger can make both companies more competitive and able to increase access to credit for more people.

Sincerely,
Ericka Jones

From: [Katie Brotten](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Merge
Date: Friday, April 19, 2024 8:48:16 PM

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I'm writing to express my support for the merger between Capital One and Discover. It is so important in today's economy to have access to credit. Not just as a convenience but as a fundamental tool for families to build wealth and pursue life-changing investments. However, the current system is far from equitable, with many Americans, especially those from low-income or minority backgrounds, facing barriers to entry.

For too long, individuals without established credit histories or from marginalized communities have struggled to access credit, hindering their ability to achieve financial stability and pursue opportunities like homeownership or higher education. Capital One and Discover have both demonstrated a commitment to expanding access to credit through initiatives like eliminating overdraft fees and offering cards with no annual fees.

By joining forces, these two institutions can further expand their reach and impact, bringing their accessible credit programs to millions more families across the country. With Capital One's plans to add Discover cardholders to their customer base, more individuals will have the opportunity to build their credit and establish a solid financial foundation for the future.

Furthermore, this merger has the potential to disrupt the dominance of Visa and Mastercard in the credit card processing market, introducing much-needed competition that can lead to lower costs and improved services for consumers and merchants. Discover's reputation for generous cash back rewards and online banking convenience, combined with Capital One's innovative offerings like no fee cards, can create a more competitive landscape that benefits everyone.

As we strive to build a more equitable economy, it's crucial to support initiatives that expand access to credit and promote competition in the financial marketplace. The Capital One-Discover merger aligns with President Biden's vision for bridging economic disparities and creating opportunities for all Americans. For the sake of hard working families here in Washington State and all across the county, I'm hopeful this merger is finalized.

Sincerely,

Katie Brotten

From: [Michael Schaufler](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Comments on Capital One and Discover merger
Date: Saturday, April 20, 2024 1:40:56 PM

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To Whom It May Concern:

As a community servant of twenty-nine years, including ten years in the Oregon Legislature and currently as a Turner City Councilor, I have long advocated for policies that promote financial and economic opportunity, especially for Oregonians in smaller rural communities like ours where incomes and job opportunities are lower. The Capital One-Discover merger presents a prime opportunity to address some of the systemic challenges facing individuals who lack access to traditional credit sources, while also fostering greater competition in the credit card network industry.

Mastercard and Visa have long held a virtual duopoly in the credit card network market, resulting in limited options and higher costs for consumers and small businesses alike. Allegations of anticompetitive behavior by the two companies have underscored the need for more players in the credit card market with the Department of Justice investigating Visa's practices for antitrust violations.

The merger between Capital One and Discover has the potential to disrupt the market dominance of Visa and Mastercard with Capital One being able to issue its cards over Discover's network. This could significantly help enhance Discover's status as a formidable competitor to Mastercard and Visa in the credit card payment processes marketplace. Ultimately, this is good for the average consumer as more competition in the credit card network market would mean the four network companies including Mastercard and Visa would have to work harder to improve their good and services and offering more competitive price points. This is the way that free market competition should work.

On top of the benefits of increased competition, the merger will combine two leaders with long track records of working to credit access, especially for people with no or imperfect credit. Capital One operates on the principle that no one should be locked out of the credit system. As such Capital One is the largest issuer of credit cards to first-time cardholders and offers numerous products to folks who are rebuilding their credit. Similarly, Discover was one of the first issuers to offer cards with no annual fee.

By combining two leaders committed to expanding access to affordable credit options, the merger could empower countless individuals to pursue their financial goals, whether it's buying a home, starting a business, or furthering their education.

I believe that the Capital One-Discover merger has the potential to deliver significant benefits for individuals and communities across Oregon, and the country. This administration has made it clear that competition and an equitable market is a priority. If they are serious about that objective then this merger should be approved as it will help achieve those goals, level the playing field, and create new opportunities for those who need them most.

Sincerely, Mike Schaufler

From: [carolyn ahlgreen](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Discover/Capital One merger
Date: Sunday, April 21, 2024 12:09:36 AM

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Today I am writing to express my support for the merger between Capital One and Discover. In today's financial landscape, access to credit is not just a convenience– it's a fundamental tool for families to build wealth and pursue life-changing investments. However, the current system is far from equitable, with many Americans, especially those from low-income or minority backgrounds, facing barriers to entry.

For too long, individuals without established credit histories or from marginalized communities have struggled to access credit, hindering their ability to achieve financial stability and pursue opportunities like homeownership or higher education. Capital One and Discover have both demonstrated a commitment to expanding access to credit through initiatives like eliminating overdraft fees and offering cards with no annual fees.

By joining forces, these two institutions can further expand their reach and impact, bringing their accessible credit programs to millions more families across the country. With Capital One's plans to add Discover cardholders to their customer base, more individuals will have the opportunity to build their credit and establish a solid financial foundation for the future.

Furthermore, this merger has the potential to disrupt the dominance of Visa and Mastercard in the credit card processing market, introducing much-needed competition that can lead to lower costs and improved services for consumers and merchants. Discover's reputation for generous cash back rewards and online banking convenience, combined with Capital One's innovative offerings like no fee cards, can create a more competitive landscape that benefits everyone.

As we strive to build a more equitable economy, it's crucial to support initiatives that expand access to credit and promote competition in the financial marketplace. The Capital One-Discover merger aligns with President Biden's vision for bridging economic disparities and creating opportunities for all Americans. For the sake of hard working families here in Washington State and all across the county, I'm hopeful this merger is finalized. On a personal note, I had such great difficulty getting my first credit card. I applied to get Sears cards just to get the free gifts because I knew they would turn me down. I got many things for my first kitchen that way!!! Others should not have to write a letter to Mastercard for an explanation of why they turned you down because you were in the wrong job category!
Sent from my iPhone

From: [Steve Colangelo](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Merger Benefits Central Valley Small Businesses
Date: Sunday, April 21, 2024 12:47:40 PM

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As a Board Member for the Central Valley Taxpayers Association and former Board Member for the Stockton Chamber of Commerce, it is my responsibility to advocate for small businesses in my community. That is why I am writing in favor of the proposed Capital One-Discover merger, which will greatly benefit small businesses in the Central Valley and nationwide.

It is no secret that Visa and Mastercard, who control 80% of the payment network industry, are routinely accused of anti competitive practices that stifle competition which has lead lawmakers to criticize them with Visa even facing a DOJ investigation over it.

This merger will bring more competition to the payment network industry because it would allow Capital One to issue its cards over the Discover network, bolstering Discover to be a stronger competitor to disrupt the Visa-Mastercard duopoly. This increased competition in the marketplace will push all four payment processors to fight for the opportunity to work with businesses by improving their services and price points.

That's why economists like Fred Ashton have said "Such heightened competition could force the industry to provide more favorable terms to merchants while expanding Discover's payments network availability for customers." Discover becoming a more competitive network will empower small businesses to negotiate more favorable terms with all four payment networks – that is good for marketplace competition, small businesses, and consumer choice.

Some have expressed concern that this merger will lead to increased consolidation in the credit issuer and banking sector. However the credit issuer network is highly fluid with thousands of issuers – it's easy for customers to switch between products. On the banking side, Discover and Capital One have no overlap in their markets and the increase in held assets – \$650 billion – pale in comparison to the trillions that the Big Four banks hold. It's clear on the whole, this merger will bring more competition to a marketplace that sorely needs it.

Allowing this merger to proceed will give Capital One and Discover the opportunity to compete, which is why I support it.

From: [Anthony Aikens](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Working Relationship with Capital One
Date: Sunday, April 21, 2024 12:51:35 PM
Attachments: [Capital One letter 4-21-24.docx](#)

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Please find attached my letter of experience working with Capital One. Thanks.

Anthony Aikens

--

Anthony Aikens, ED.S
Superintendent
Crawford County Schools
190 E Crusselle Street
Roberta, GA 31078
Phone: 478-836-3131
Cell: 678-572-8044
Fax: 478-836-3114



Crawford County Schools

Crawford County Board of Education

190 East Crusselle Street

P.O. Box 8

Roberta, GA 31078

478-836-3131 (Fax) 478-836-3114

Mr. Anthony Aikens, Superintendent

Anthony.aikens@crawfordschools.org

April 21, 2024

To Whom It May Concern,

My name is Anthony Aikens and I am the Superintendent of Schools for the Crawford County School District in Crawford County Georgia. Our district recently entered into an agreement with ABM Building Solutions on an energy efficiency renovation project that required financing and Capital One was the lender on this project. My contacts at Capital One worked with us every step of the way to ensure that we received the best rates and service available. Without this assistance, I am not sure that we could have completed this project and provide the best facilities possible for our students. I can honestly say that I would look to Capital One again for any future projects.

Sincerely,

Anthony Aikens

Anthony Aikens

Al Hatcher

Jackson Defore

Raymond Dickey

Tim Johnson

Joe Sutton

An Equal Opportunity Employer

The Crawford County School System does not discriminate against persons on the basis of age, race, national origin, gender, disability, religion, marital status, veteran status, sex, or political affiliation

From: [Michelle Corson](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One/Discover
Date: Monday, April 22, 2024 8:27:02 AM
Attachments: [21 April 2024 Cap One Discover Letter.pdf](#)

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Thank you for the opportunity to provide comments.

--

Michelle Corson
Founder+CEO
ontheroadcompanies.com



21 April 2024

Federal Reserve Bank of Richmond

To Whom It May Concern:

I am writing to express my support for Capital One's proposed partnership with Discover. Our businesses have a mission to build prosperity for Americans through financial empowerment and mobility innovation. We have seven enterprises under our umbrella including On the Road Lending and On the Road Garage, among others. Our lending organization provides a way for credit-challenged consumers, a majority of whom are lower-income, people of color, or single mothers, to purchase a reliable car with an affordable loan. This initiative creatively helps people to build financial independence with the dignity that comes from a hand-up, rather than a hand-out. Through our CDFI, we are able to provide car loans that are, on average, half the interest rate of what our borrowers would pay commercially. With a good car, they can access better jobs, preventive healthcare, good food, quality education, and safer neighborhoods. They do all of this while building wealth and improving their credit rating.

With On the Road Garage, we are providing training opportunities for underrepresented populations in advanced automotive technology through apprenticeships that have been registered with the US Department of Labor. These facilities are located in severely distressed neighborhoods, providing high-growth, high-wage jobs in areas of need. We have people referred to this program from community-based organizations, including a program for women emerging from domestic violence. These women are training to become automotive technicians, a traditionally male industry. Not only are they building a career where they can earn as much as \$150,000 annually without a four-year degree, they are learning to work alongside men and developing trust that they will not be harmed.

Capital One has been a partner of ours in these initiatives for many years. They have made grants to our programs, included us in accelerators to build our internal capacity, and have given us exposure through media coverage that we could not have afforded on our own. We are currently working with them on a second chance lending program wherein we can help consumers who do not fit Capital One's underwriting criteria by making these borrowers a car

loan, providing them financial coaching, and helping them to become better consumers with an onramp to the mainstream financial market when the borrower is ready. It is this kind of commitment to the community through a unique approach to risk that makes them such a significant partner to us. By partnering with organizations such as ours who have the flexibility to help people who cannot be easily served by traditional financial institutions and structuring innovative programs, they are putting the community first. We have seen firsthand their commitment and passion for their mission of “Changing Banking for Good” and we know that they truly live this.

We believe that the partnership between Capital One and Discover will provide the same kind of amplified benefit to the community that their partnership with us has yielded. For bankers to place the most vulnerable of our neighbors at the forefront of what they do is to be celebrated and encouraged. If we can provide further information in support of this partnership, please do not hesitate to reach out to me at 214.906.7067 or mcorson@ontheroadcompanies.com.

Sincerely,

A handwritten signature in dark ink, appearing to read 'M. Corson', with a long horizontal flourish extending to the right.

Michelle Corson
Founder + CEO

From: [Adam Lim](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Commentary
Date: Monday, April 22, 2024 10:02:50 AM

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Dear Federal Reserve Bank Secretary of the Board,

I am writing to share my wonderful experiences with Capital One Bank. My comments are in support of the Capital One acquisition of Discover. My business, Native Instinct LLC, is a US Federal Contractor - we sell and lease mission critical equipment to US Federal, State, and Local Agencies worldwide.

I have been a small business customer of Capital One since 2018 and I have a personal relationship with multiple members of their team. We started our accounts with Capital One with a single \$7k credit card which is now approved for \$350k in credit, multiple savings and checking accounts, and a robust business line of credit. All along the way, Capital One has enabled our business to grow.

Capital One has played a pivotal role in the growth and success of my small business. Their comprehensive suite of financial services, tailored specifically for small businesses, has provided invaluable support at every stage of our journey.

From flexible lending solutions to innovative digital banking tools, Capital One has empowered us to streamline operations, manage cash flow effectively, and seize new opportunities with confidence. Their dedicated team of professionals understands our unique needs and is always available to offer expert guidance and support.

Our partnership with Capital One is not just about banking; it's about fueling our ambitions, driving growth, and achieving our business goals. We are grateful for their unwavering commitment to our success and look forward to continuing this fruitful relationship for years to come.

Please feel free to contact me with any questions or concerns!

--

Thank You,
Adam A. Lim
President, Native Instinct LLC
www.nativeinstinct.co

Email: adam@nativeinstinct.co
Phone: 321-298-4225

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From: [Nick Serfass](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] rvatech/ + Capital One
Date: Monday, April 22, 2024 10:48:35 AM

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Hello,

I am writing today to express our appreciation for Capital One's partnership in the community over the last decade here at the Richmond Technology Council (rvatech/). Capital One has been one of our more significant partners in terms of both support and engagement. They have supported our many community building events and conferences over the years. Additionally, their active team members make up an important segment of our technology community themselves, serving as volunteers, participants, and leaders in many of our programs.

Capital One's new partnership with Discover represents a wonderful opportunity for them to strengthen and increase their engagement and support for our community. We host five technology conferences, an awards program, numerous community events, and a significant women in tech program portfolio. None of this would be as success as it is without Capital One's presence, support, and leadership in Richmond, VA.

Thank you for your time,

Nick Serfass

Chief Executive Officer
Richmond Technology Council | rvatech/
1717 E. Cary St. | Richmond, VA 23223
(804) 647-2013 | nick@rvatech.com
www.rvatech.com

From: [Erika Toriz](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Re: Public Comment Capital One
Date: Monday, April 22, 2024 12:26:08 PM
Attachments: [Haven's Public Comment Letter-Capital One.pdf](#)

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To: Ann E. Misback or Brent B. Hassell

I've attached the letter of support for your review.

Thank you

Erika Toriz-Kurkjian | Founder, Chief Executive Officer (CEO)

Haven Neighborhood Services

Pronouns: She | Her | Hers

Direct: 818.632.8766

Efax: 800.363.0700

Address: 3655 S. Grand Ave. #240, Los Angeles, CA 90007

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A 501(c)(3) Nonprofit Organization

CEO & Founder, Erika Toriz.
Haven Services, Inc. dba. Haven Neighborhood Services.
3655 South Grand Avenue Suite 240, 2nd Floor. Los Angeles, CA 90007
Etoriz@havenservices.org
818.632.8766

April 20, 2024

Dear Ann E. Misback,

I trust this letter finds you well. My name is Erika Toriz, and I have the privilege of serving as the Founder and CEO of Haven Neighborhood Services, a dedicated nonprofit committed to enhancing financial capability and housing security among vulnerable communities in Los Angeles. As an advocate for positive change and community empowerment, I am compelled to share with you my heartfelt support for the proposed merger between Capital One and Discover.

Allow me to provide some context regarding our organization. Founded in the wake of the 2008 Foreclosure Crisis, Haven Neighborhood Services emerged as a beacon of hope for those grappling with financial instability and housing crises. Our mission, succinctly put, is to empower economically disadvantaged individuals and families by offering them no-cost financial and housing education, direct services, and comprehensive support services. Over the years, we have steadfastly pursued this mission, striving to make a tangible difference in the lives of our community members.

As an immigrant Latina leader navigating the nonprofit landscape, I have encountered numerous challenges in securing support for our cause. It was against this backdrop of uncertainty that Capital One emerged as a pivotal ally in our journey. I vividly recall the profound impact of receiving an unexpected email from Juan Aquino, Capital One's dedicated CRA Officer, inviting us to apply for a grant. This gesture of support was not just a financial boon; it was a validation of our organization's mission and a beacon of hope for the communities we serve. Receiving our very first grant from a financial institution like Capital One was an incredibly special moment for us, and I can't express how deeply moved I was—it truly brought tears of joy to my eyes!

Since that transformative moment, Capital One has remained a steadfast partner in our efforts to effect positive change. Through their unwavering commitment to community engagement and philanthropy, Capital One has catalyzed our growth, enabling us to expand our reach and impact exponentially. From financial contributions to in-kind donations and volunteerism, Capital One's support has been nothing short of transformative, enhancing our organizational capacity and amplifying the effectiveness of our programs.

One noteworthy initiative that exemplifies Capital One's dedication to driving meaningful change is the Save2Build Program, a collaborative endeavor with Justine Petersen aimed at bolstering credit wellness among underserved populations. Through this program, Capital One facilitated crucial connections and provided invaluable resources, enabling us to empower our clients and foster financial resilience within our communities. Today, the results speak for themselves, with countless of our clients benefiting from improved credit scores and newfound economic stability.

Moreover, Capital One's commitment to provide us with pro bono professional services has been instrumental in our organizational development journey. By leveraging the expertise of Capital One's talented employees, we have been able to enhance our branding strategy, streamline our HR processes, and elevate our overall operational efficiency. This invaluable support has not only reduced our operating costs but has also positioned us for sustained growth and impact in the years to come. I've reached out to numerous financial institutions seeking this kind of support, yet none have been able to fulfill our needs. Capital One not only stepped up but exceeded expectations, delivering comprehensive project deliverables that truly align with the needs of our organization.

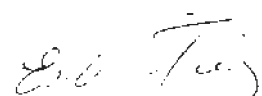
Equally noteworthy is Capital One's steadfast funding support and emphasis on long-term strategic partnerships. Unlike other financial institutions that adopt a short-sighted approach to philanthropy, Capital One prioritizes sustained investment in our mission, enabling us to focus on what truly matters: serving our community! This long-term commitment has provided us with the stability and resources needed to scale our operations and maximize our impact, ensuring that we can continue to empower and uplift those in need.

Lastly, I must commend Capital One's remarkable employees, who embody the spirit of community and compassion in everything they do. From the dedicated CRA Officer to the passionate Café Ambassadors, HR/Branding team and beyond, Capital One's employees have consistently gone above and beyond to support our organization's growth and success. Their genuine willingness to lend a helping hand and their unwavering commitment to our shared mission are a testament to Capital One's exemplary corporate culture and values. Juan Aquino has been an invaluable ally, consistently embodying Capital One's dedication to community and actively championing organizations like ours. I'm grateful for Capital One's faith in him. We truly need more strategic leaders like Juan in our nation's private sector.

Ms. Misback, I firmly believe that tackling the critical challenges facing our vulnerable communities requires a collaborative approach involving community-based organizations, government, and the private sector. That's why I'm deeply engaged in coalitions and advisory boards, advocating for proactive community involvement from financial institutions. My commitment extends to various initiatives like Rise Economy, and the FDIC's Alliance for Economic Inclusion, both locally and across California. I prioritize protecting consumer rights, particularly for LMI and unbanked/underbanked individuals and their families. Haven Neighborhood Services aims to exceed expectations in serving our community, and I'm grateful to have Capital One as a partner whose dedication to community service aligns with ours.

In closing, I want to reiterate my wholehearted support for the proposed merger between Capital One and Discover. As a firm believer in the power of collaboration and collective action, I am confident that this union will not only benefit the nonprofit landscape but will also create new opportunities for positive change and community empowerment. If you have any questions or require further information, please do not hesitate to reach out to me. Thank you for considering my perspective and for your unwavering dedication to promoting financial inclusion and social equity. I look forward to the opportunity to continue our dialogue and collaboration in the future.

Warm regards,



Erika Toriz

Founder and CEO

Haven Neighborhood Services

From: [Jennifer Wakefield](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Support letter - Capital One
Date: Monday, April 22, 2024 12:31:36 PM
Attachments: [CapOne_Discover_Apr24.pdf](#)

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Please find the attached letter in support of Capital One/Discover.

I am happy to discuss further if desired and can be reached at 804-928-7476.

Jen

Jennifer Wakefield, APR
President & CEO
Greater Richmond Partnership
(804) 928-7476 cell
jwakefield@grpva.com
www.grpva.com

Interested in booking time on my calendar? [Click here](#).

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???

April 18, 2024

Re: Capital One/Discover

Dear Federal Reserve Bank of Richmond,

Since its founding by Richmond-based Signet Bank 30 years ago, Capital One has grown into our region's largest private sector employer and (more importantly) one of our best corporate citizens.

The Greater Richmond Partnership (GRP) helped retain Capital One and secure its footprint in the region with its eventual eight-building corporate campus that hosts more than 13,000 workers. Its recruitment tactics have helped bring exciting and fresh talent from across the globe to Greater Richmond, boosting our population's highly educated workforce.

Capital One contributes to a vibrant business community in multiple ways. It provides help across the region's entrepreneurial community, including sponsoring the Michael Wassmer Innovation Center which is home to support organizations Startup Virginia, the Metropolitan Business League and Lighthouse Labs.

Capital One has also helped guide GRP's mission. Executives have provided invaluable time and insight on our Board of Directors and various committees. Capital One executives have served as our Board chair twice in the last 15 years, proving that the company is not only a financial contributor to our region's prosperity, but also has incredible intrinsic responsibility to its hometown.

The company's corporate mantra is "Change Banking for Good." However, with the effort that Capital One pores into our region it should instead read "change Greater Richmond for good."

Sincerely,



Jennifer Wakefield
President + CEO
Greater Richmond Partnership

From: skeeley@cisrva.org
To: [RICH BankSup Applications Comments](#)
Subject: [External] RE: Capital One as Community Partner
Date: Monday, April 22, 2024 1:06:51 PM

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Federal Reserve Bank of Richmond:

Please accept this email in support of our community partner Capital One. With a significant presence here in the Richmond region, Capitol One has invested in the success of students through Communities In Schools of Richmond for over 15 years.

This investment encompasses volunteerism, skills-based pro-bono projects, and philanthropy. At Communities In Schools we surround students with a caring community of support to create access to critical resources like food, housing, supportive guidance and tech so they can take charge of the future they want for themselves. At 40 school sites in Richmond and Henrico, CIS Site Coordinators are embedded in schools to serve as a bridge connecting students and faculty to volunteers and community partners who bring necessary resources to support student success.

Capital One volunteers engage as mentors within this footprint. They facilitate food and schools supplies drives for kids across these 40 K-12 schools. They engage in career exploration across multiple platforms, attending career fairs, facilitating programs for kids, and supporting student workshops for resume and job skills building. The impact grants we receive support direct service to students allowing us to bring the CIS Model to high schools. Through this process, we are responsible for annual and measurable outcomes aligned to goals for increased student attendance, social and emotional growth, and improved academic performance.

We are thankful for this partnership and the many Capital One led projects over the years that have supported our capacity to grow as a nonprofit organization.

Sincerely –

Suzanne Keeley

Suzy Keeley, she/her
VP Development

e: skeeley@cisrva.org

p: [804.814.1136](tel:804.814.1136)



Communities
In Schools

Richmond



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w: cisrva.org

From: [Justina Fargiano](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] CDLI's Public Comment Letter for Capital One
Date: Monday, April 22, 2024 1:54:01 PM
Attachments: [image013.png](#)
[image014.png](#)
[image015.png](#)
[image016.png](#)
[image018.png](#)
[Capital One Public Comment Letter.pdf](#)

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Good afternoon,

Community Development Long Island (CDLI) is pleased to provide the attached Public Comment letter on behalf of Capital One and its application to acquire Discover. Please do not hesitate to reach out should you need additional information.

Sincerely,
Justina



Justina Fargiano (She/Her)

Compliance Manager | Marketing & Development

Community Development Long Island

(631)-471-1215 ext. 1680 | jfargiano@cdcli.org | www.cdli.org

[1660 Walt Whitman Road, Suite 130](#)

[Melville, NY 11747](#)



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April 19, 2024

Federal Reserve Bank
Attn: Secretary of the Board
20th Street and Constitution Avenue NW
Washington, D.C., 20551-0001

Dear Mr. Powell,

On behalf of Community Development Long Island (CDLI), please accept this public comment letter on behalf of our partnership with Capital One in support of its application to the Federal Reserve to acquire Discover.

CDLI invests in the housing and economic aspirations of individuals and families by providing solutions that foster and maintain vibrant, equitable, and sustainable communities. The regional non-profit organization was founded in 1969 by government, business, and civic leaders who came together to address the growing demand for affordable housing. That strong tri-sector support continues today. CDLI is not just an organization; we are a movement towards long-term economic stability for all. We believe the one place that creates the greatest stability for all people is home, and everyone deserves the right to have one in a safe, supportive neighborhood of their choosing. CDLI has provided nearly five-and-a-half decades of service to Long Island's most marginalized and compromised residents, and has continuously challenged itself to ensure it is the go-to organization for all things home with a focus on furthering fair housing goals and integration.

As an exemplary chartered member of NeighborWorks America – and the only NeighborWorks Organization on Long Island – CDLI is a nationally connected, locally focused organization, working to revitalize and build strong communities. The organization meets a high standard of fiscal integrity and service performance, and its team of nearly 120 highly committed, community-centered professionals collectively manage a variety of programs that address the dynamic challenges faced by those who live and work on Long Island. Areas of focus include a Homeownership Center, Financial Capability & Empowerment, Rental Assistance (Housing Choice Voucher programs), Housing Development & Planning, Home Improvement & Optimization, Resident Services, Community Building & Engagement, and lending through an affiliated Community Development Financial Institution (CDCLI Funding Corporation). CDLI serves approximately 25,000 individuals each year in Nassau County, Suffolk County, Brooklyn, and Queens.

Capital One has demonstrated a steadfast commitment to change banking for good by removing barriers to opportunity and creating pathways to financial success to enable vibrant futures for all. Capital One's longstanding valuable partnership with CDLI is a testament to that commitment. Engagement has included support for several of CDLI's legacy programs: Homeowner Preservation Services (foreclosure counseling and mitigation), Core Four (entrepreneurial

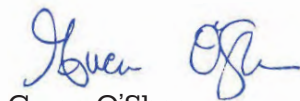
training and small business lending), Financial Capability & Empowerment (group financial education and one-on-one coaching), Home Maintenance Training Program (hands-on home repair workshop), and HECM (reverse mortgage) counseling.

In 2020, amidst the unprecedented challenges brought on by the COVID-19 pandemic, Capital One provided essential funding pivotal to the significant technology infrastructure investment necessary to ensure CDLI's continued operation as a designated "Essential Business," enabling us to assist our customers remotely. Capital One's flexibility played a vital role in adapting our operations to the rapidly changing circumstances, allowing us to maintain uninterrupted services and support for our community members during such trying times. Their proactive approach and willingness to accommodate the evolving needs of CDLI underscored their commitment to our partnership and to the communities we serve.

Capital One has also supported newer initiatives: Making Moves, which provides mobility coaching and financial assistance to Housing Choice Voucher families with school-aged children interested in relocating to a well-resourced community; and most recently, our Community Building & Engagement efforts, which build racial equity, support community empowerment, and create pathways for participants to achieve socioeconomic growth and optimal biopsychosocial health. CDLI cultivates and develops resident leaders, and provides ongoing support to those leaders to represent their peers on a shared vision for a better future.

Over the years, Capital One's support has directly impacted thousands of individuals and families on Long Island. Their willingness to invest time, resources, and expertise in these endeavors is truly commendable and reflects a shared vision of building stronger, more inclusive communities. We look forward to continuing our partnership with Capital One and working together to create a brighter future for all Long Islanders.

Sincerely,



Gwen O'Shea

President and CEO

Community Development Long Island

EIN: 11-2221341

From: [Steve](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital one merger will increase competition.
Date: Monday, April 22, 2024 3:21:48 PM

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As a former State Representative from Delaware, I firmly believe in the importance of ensuring equitable access to credit for all Americans. Borrowing on credit is not just a financial tool; it's a pathway for families to accumulate wealth and make significant investments such as homeownership and higher education. Unfortunately, access to credit remains a challenge for many, particularly those in underserved communities who may be "credit invisible" or have limited credit histories.

The proposed merger between Capital One and Discover offers a beacon of hope for addressing these disparities and advancing economic equity. Both Capital One and Discover have prioritized initiatives to enhance credit accessibility, such as Capital One's elimination of overdraft fees and Discover's policy of offering cards with no annual fees. These efforts have already made significant strides in opening doors to credit for individuals and businesses alike. Capital One has led on credit cards for customers with low credit scores or no credit – helping them improve their credit score responsibly while providing them access to capital they need to thrive in this economy

By joining forces, Capital One and Discover have the potential to extend credit accessibility even further. Capital One's plans to integrate Discover's 305 million cardholders into its customer base will broaden the reach of its credit-building programs, empowering more individuals to participate in the financial system and pursue their economic goals.

As someone who has dedicated their life to public service, I recognize the transformative impact that increased access to credit can have on economic empowerment. The proposed merger between Capital One and Discover aligns with President Biden's commitment to addressing economic inequalities and uplifting all Americans. It is imperative for regulatory agencies to support this merger to benefit individuals who are "credit invisible" or seeking to rebuild their credit.

By approving this merger, regulators can contribute to a more inclusive and equitable financial landscape, where access to credit is not just a privilege but a fundamental right for all Americans. Let us seize this opportunity to turn more people from underserved communities into banking customers, homeowners, and small business owners, enriching our society and advancing economic justice for all.

Steve Smyk
Former Delaware House of Representatives, 20th District
2 Oakridge Dr, Milton, DE 19968

From: [Mecha Inman](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment: Capital One & CollegeTracks
Date: Monday, April 22, 2024 3:47:34 PM

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Federal Reserve Bank of Richmond,

I am writing the following email as CollegeTracks' response to the public comment period regarding the Capital One - Discover acquisition, and specifically about our experience as a partner of Capital One. I am Mecha Inman, the Chief Executive Officer of CollegeTracks, a Maryland based non-profit organization. CollegeTracks' mission is to empower first-generation-to-college students and students from low-income and immigrant households in Montgomery County, Maryland by helping them bridge systemic opportunity gaps with enough support to get to and through postsecondary education and onto a career pathway. We envision a future in which every student who graduates from high school in Montgomery County, Maryland has equitable access to their chosen career pathway. Since our founding in 2003, we have served over 10,000 scholars by supporting them on their path to prosperous adulthoods.

Capital One has been a generous supporter and a committed partner to CollegeTracks in this work. They have demonstrated repeatedly their commitment to our mission, and our community, to ensure access to postsecondary education, and socio-economic mobility, for all. They have supported CollegeTracks in expanding our staff, strengthening our career advising, improving our data tracking and communication systems, and in providing postsecondary and financial aid advising to thousands of students. We are a small, regional organization with a limited communications presence so we are confident that Capital One has not supported us in an effort to enhance their brand or benefit in any way.

We think it important to note that Capital One found us, not the other way around, and that speaks highly of their commitment to community service. Their team proactively finds ways to serve, and we will always be grateful to them for that approach. Capital One's support has also not been purely financial. Their employees have volunteered in our program and served on our Board of Directors. They have provided us with technical support and insight, have helped us by translating program documents into Spanish to help us reach more students and their families, and have even employed graduates of our program.

Capital One is a powerful force for good in our community and they have improved our organization, and our capacity, to succeed. We are deeply grateful for their support and impact on our work. Capital One is, indeed, changing banking for good.

In Service,

Mecha Inman
CEO
CollegeTracks

Mecha Inman | Chief Executive Officer

8737 Colesville Rd., Suite 1010 | Silver Spring, MD 20910

Mobile: 202.964.0329

minman@collegetracksusa.org | www.collegetracksusa.org

Do all the good you can, by all the means you can, in all the ways you can, in all the places you can, at all the times you can, to all the people you can, as long as ever you can.

From: [Sean Boyd](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One and Discover Merger
Date: Monday, April 22, 2024 4:55:30 PM

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RE: Capital One as a community partner.

LYTE is a nonprofit that serves low-income and minority middle school and high school students- ultimately getting them into college with the vast majority of expenses paid. LYTE actively serves over 500 students over five years of programming starting in primarily title one middle schools. We help these students prepare for and get into the top high school programs in Delaware where we help them achieve education excellence. Most of our high school students are matched with paid internships and they operate 529 college savings accounts. All of the students from our 7 graduating classes have gone to college with the vast majority of expenses paid. Our students have been accepted to Amherst, Yale, Harvard, Haverford, Northwestern, and hundreds more amazing schools.

Capital One has been a community partner with LYTE for many years. They have shared the talents and time of their employees with LYTE. The vice president of our BOD is a Capital One Employee. A group of talented young employees helped us rework our accounting system preparing us for growth.

The executive team at Capital One has had us visit more than once and share our story. They were early funders when our org was small and have increased the amount they fund over the years allowing us to grow and build a sustainable foundation for our low-income community. Capital One has allowed LYTE to grow and change the lives of many more low-income students in Delaware. They are an amazing community partner and assure that we are good steward with the resources they provide. Capital One is thoughtful and deliberate with their mission of community partnerships.

Best,

Sean Boyd

<https://lytescholars.org>

<https://www.facebook.com/lytescholars>

From: [Colin Bonini](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Approve Merger for More Competition
Date: Monday, April 22, 2024 4:59:45 PM

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Small businesses and consumers in Delaware and all over the nation deserve a competitive credit card payment network market. Although there are four payment networks, Visa and Mastercard have a functional duopoly on this market, processing 80% of all transactions and have been accused of anti-competitive behavior with the DOJ investigating Visa over it. This lack of competition allows Visa and Mastercard to write the rulebook in the market, hurting small businesses who currently lack the ability to negotiate more favorable terms for themselves.

With this merger, Capital One can begin issuing its cards on the Discover payment network, making Discover a more powerful competitor in the industry and disrupting the existing duopoly. This will heighten competition in the marketplace and motivate all four payment networks to compete for the opportunity to work with merchants by providing more innovative services at better price points, which will be a win for consumer choice and small businesses.

This merger will address the concerns lawmakers have about the lack of competition in the payment network space. Analysts at the Bank Policy Institute have said "it is important to recognize that the merger will strengthen competition among payment networks...Presently, the payments side of the market is highly concentrated...There can be little doubt that the proposed merger will enhance competition by creating a stronger competitor in this market." Others in the financial press like the *Bloomberg* Editorial page and *NerdWallet* have touted the competition this will bring to the credit card payment processing market.

Regulators should welcome this merger for the benefits it will have on competition in the payment network industry, ultimately benefiting small businesses in Delaware and all over the country.

Colin Bonini

From: [Erin Whelan](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One and Discover
Date: Monday, April 22, 2024 6:10:35 PM

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We are so incredibly grateful for our long standing partnership with Capital One. SMYAL supports and empowers LGBTQ+ youth ages 6 through 24. For 40 years, SMYAL has worked to meet the needs of LGBTQ+ youth through affirming programs, housing support, accessible mental health services, leadership training, and community outreach in Washington DC and the surrounding region.

Capital One has been a long standing partner with SMYAL. Capital One has continuously shown our community that investing in innovative services and supports for LGBTQ+ youth is foundational to the work they do in the community. Most recently Capital One made a bold investment in a collaborative approach to working with migrant and spanish speaking LGBTQ+ youth across Washington DC to ensure they were receiving the supports they needed to thrive. Capital One is an engaged partner in this work ensuring they are understanding the need, their role, and how we can continue to have a positive impact in the community.

Capital's One investment has opened the doors for us to be able to pursue other funding opportunities with more confidence knowing we already have a base level of support from a well known and respected partner.

We absolutely could not do this work without Capital One!

Erin

--

Erin Whelan, LPC-S | Executive Director
Pronouns: She/Her/Hers [Why Pronouns Matter](#)

SMYAL | empowering LGBTQ youth
C: 214-208-4711 | smyal.org
410 7th Street, SE | Washington, DC 20003

[Click to make your online gift today!](#)

United Way #8142 | CFC #46119

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From: run624@aol.com
To: [RICH BankSup Applications Comments](#)
Subject: [External] Comments about Capital One Bank
Date: Tuesday, April 23, 2024 11:02:38 AM

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Hello -

I'd like to share with you our experience dealing with Capital One Bank for almost 40 years, including when it was first called Chevy Chase Bank. And since 1992 we have patronized the same branch in Silver Spring (Colesville), Maryland because the staff is top notch. Their knowledge is exceptional and they are always accommodating. They are super professional and approach each request in a very organized manner.

They are always willing to walk us through a variety of options when looking at a new product and give us time to think through the choices. They are very personable folks!

From: [Lisa Boyd](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comments
Date: Tuesday, April 23, 2024 11:59:17 AM
Attachments: [Capital One public comment.pdf](#)

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Please see attached.

Thank you.

Lisa Boyd | Interim Executive Director

HANDS, Inc. | 15 South Essex Avenue, Orange, NJ 07050

Office: (973) 678-3110 x 23 | Cell: (917) 747-0229 | Fax: (973) 678-0014

Visit: www.handsinc.org



HANDS

HOUSING AND NEIGHBORHOOD
DEVELOPMENT SERVICES, INC.

15 South Essex Avenue, Rear | Orange, NJ 07050 | 973.678.3110 | HANDSinc.org

April 23, 2024

Jerome Powell
Federal Reserve Chairman

Dear Chairman Powell,

I hope this letter finds you well. My name is Lisa Boyd, and I serve as the Interim Executive Director at HANDS, Inc. (Housing and Neighborhood Development Services), a non-profit organization dedicated to fostering economic empowerment and community development in Greater Orange, New Jersey. At HANDS, we uplift underserved communities by providing resources, education, and opportunities for sustainable growth and thriving.

I am writing to express our sincere gratitude for the invaluable support we have received from Capital One over the years. Capital One has been an instrumental partner in our efforts to advance our mission and make a meaningful impact in the communities we serve. In particular, Capital One's financial support has allowed us to implement innovative programs and initiatives that address the unique needs and challenges facing Orange residents.

Most recently, Capital One supported our Home Improvement Program, HIP. Through HIP, we enhance the living conditions of individuals and families facing challenges in maintaining a safe and comfortable home environment. Capital One's support directly contributes to the success of this program, allowing us to make a meaningful difference in the lives of those we serve.

Thank you for your support and leadership.

Sincerely,

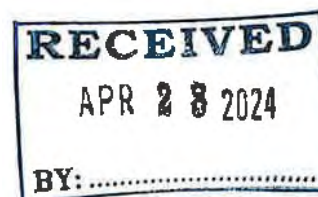
Lisa Boyd
Interim Executive Director

PENNROSE

Bricks & Mortar | Heart & Soul

April 10, 2024

Brent B. Hassell
Assistant Vice President
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, VA 23261



Dear Mr. Hassell,

Our company, Pennrose is one of the Nation's largest producers of affordable housing. Capital One Bank has been a tremendous partner for Pennrose since 2009, providing us the capital to enhance the affordable housing inventory available in Connecticut, Pennsylvania, New Jersey, and Maryland.

This partnership has included Capital One's providing more than \$93.5 million in construction loans, being the first mortgage provider totaling more than \$26.3 million, and providing nearly \$91 million in tax credit equity. These activities have culminated in the development of 14 affordable multifamily communities.

In addition to the 1,128 units that families and individuals now call home, the following are two examples of how Capital One's involvement in our properties have contributed to the well-being of our residents and communities.

At Freedom Village I and II in Paterson, NJ, we have been able to partner with CUMAC to provide social services to the seniors in the community including food delivery, an on-site marketplace, and community activities.

Capital One's involvement in two phases at Meriden Commons in Meriden, CT, provided funding to replace an outdated 140-unit public housing site with 151 units of mixed-income housing. The community's common areas and offices provide space for Community Impact Coordinators to provide supportive housing and low-income residents access to resources they need to succeed.

We wholeheartedly support and believe that Capital One Bank's acquisition of Discover will enhance Capital One's and Pennrose's ability to enhance and impact the communities we serve.

Sincerely,


Richard K. Barnhart
Executive Chairman of the Board



From: [Martha Brantley](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Eli Cherner](#); [Kathy Guis](#); [Austin Choi](#)
Subject: [External] Comments on proposed acquisition of Discover Financial Services by Capital One Financial Corporation
Date: Tuesday, April 23, 2024 12:25:34 PM
Attachments: [Kiva Capital One Comment Letter.pdf](#)

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Dear Sir or Madam,

Attached is a letter from Kiva Microfunds outlining our long-term, highly impactful partnership with Capital One. We are pleased to provide this information about our experience working with Capital One and our understanding of the company's commitment to entrepreneurship and community development.

Very best,
Martha

--

Martha Brantley (she/her) | Senior Director, Strategic Partnerships

Cell: +1.917.453.9730

Email: marthab@kiva.org

[Kiva.org](#) | [Kiva Capital](#) – Loans that change lives

"Access to credit means economic advancement, just as limits on credit mean economic stagnation."

- [Mehrsa Baradaran](#)

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SENT VIA E-MAIL

April 23, 2024

Federal Reserve Bank
Ms. Ann Misback, Secretary of the Board
13th Street and Constitution Avenue NW
Washington DC 20551-0001

Federal Reserve Bank of Richmond
Mr. Brent B. Hassell, Assistant Vice President
PO Box 27622
Richmond, VA 23261

Dear Ms. Misback and Mr. Hassell:

Kiva Microfunds (“Kiva”) is submitting this comment to the Federal Reserve and the Federal Reserve Bank of Richmond regarding the pending acquisition of Discover by Capital One.

We are pleased to cite our collaborative effort with Capital One and our experience with Capital One's support for initiatives serving marginalized and underbanked communities.

Kiva is an international nonprofit organization focused on expanding financial access to help underserved communities thrive. Founded in 2005 as the world's first personal micro-lending marketplace, we mobilize a base of public, crowdfunded support to create a pipeline of direct capital for loans to entrepreneurs around the world. In the US, Kiva uses a unique blend of technology, partnerships, and technical assistance to provide risk-tolerant capital for systemically marginalized and unbanked entrepreneurs. To date, we have made loans to more than 10,000 entrepreneurs in 48 states, the District of Columbia, and Puerto Rico.

Capital One has been instrumental to the development and expansion of Kiva's work in the United States. In 2012, when we began our partnership, Kiva was primarily focused on serving international borrowers. Support from Capital One helped enable the creation of our U.S. direct lending arm, providing 0% interest, zero-fee loans to small business owners. With their support, we initially launched in Richmond and the D.C. Metro area, then expanded across the country. Capital One also made significant contributions to our initial pool of loan capital, matching crowdfunded contributions and thus incentivizing other Kiva lenders to support borrowers in their own communities. During this time, Capital One made nearly \$1.2m in loans to 1,367 borrowers in the U.S. and Puerto Rico.

Last year, Capital One provided Kiva with a significant grant to further strengthen our U.S. lending operations, improve the borrower experience, and expand lending in key cities and states. Although this work recently began in January, 2024, we have already used these funds to provide nearly \$500,000 in loan capital to 122 entrepreneurs, while also investing in translation capabilities that make our loan application and other materials available in 30 languages.

In addition to generous financial contributions, Kiva has received extensive support from Capital One associates. Currently, we are working with two teams with expertise in technology, product

management, and user experience. These pro bono teams are collaborating with Kiva staff to further enhance U.S. borrowers' online experience and optimize our fundraising capabilities.

Kiva has partnered with hundreds of corporations and we have found Capital One to be one of our most collaborative, impact-aligned partners. They are active and engaged in understanding community needs, helping develop and test new ideas, working toward scalable models, and documenting impact and learnings. Kiva is proud to be one of Capital One's non-profit partners in enhancing economic opportunity for all.

Sincerely,



Kathy Guis
Executive Vice President, Investments



Eli Cherner
Director, Kiva U.S.

From: [Carter Calhoun](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Community comment for Capital One's proposed acquisition of Discover
Date: Tuesday, April 23, 2024 1:27:52 PM
Attachments: [El Nido Family Centers letter of support for Capital One.pdf](#)

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Dear Federal Reserve Bank,

Please see the enclosed letter of support regarding Capital One's proposed acquisition of Discover.

Kindly confirm receipt.

Carter Calhoun

Director of Development
El Nido Family Centers

(818) 639-8428

Book a meeting with me: [HERE](#)

April 23, 2024

RE: Capital One's proposed acquisition of Discover

Dear Federal Reserve Bank,

I am writing on behalf of El Nido Family Centers, a non-profit organization based in Los Angeles. We are committed to empowering families in low-income communities of Los Angeles County to break the cycle of poverty, child abuse, violence, academic failure, and teen pregnancy through outstanding educational, youth development, health, and therapeutic services. Our vision is to build healthy families and communities that provide the resources and support for all young people to attain their full potential.

We have had the privilege of partnering with Capital One for 9 years, and are proud to share a relationship that has been both meaningful and enduring.

During this time, Capital One has provided not only financial support, but also extensive technical support, personnel, and expertise, all in effort to support Angelenos struggling and in distress. They have gone above and beyond to heal and grow the communities we collectively serve.

We have partnerships with several financial services providers and lenders, but very few demonstrate such thorough commitment to the community. It is clear that Capital One makes community connection a core component of their training and corporate focus, and it shows. Our story with Capital One is but a single testament to their commitment to making a positive impact in the communities they serve. Their dedication has significantly contributed to our ability to provide essential services to the most underserved communities in Los Angeles County.

In light of this, we wholeheartedly support Capital One's proposed acquisition of Discover. We believe that this acquisition will further enhance their ability to serve their customers and the community at large.

Thank you for considering our perspective in this matter. We look forward to the continued growth and positive impact that Capital One will undoubtedly bring to our community.

Sincerely,

Liz Herrera



Executive Director
El Nido Family Centers

Administration Office
440 Shatto Place, Suite 417
Los Angeles, CA 90020
Tel: 818.830.3646
Fax: 818.891.6547
www.elnidofamilycenters.org

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From: [Kelly Canally](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support - Capital One
Date: Tuesday, April 23, 2024 2:16:03 PM

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Good Afternoon - On behalf of Family Service of Montgomery County, PA, I am writing to express our support of the merger between Capital One and Discover as we believe the partnership will further expand Capital One's ability to provide support and leadership in the communities they serve.

Family Services, a multiservice non-profit organization, has had the opportunity to partner with Capital One since 2021. For the past several years Capital One has been supporting us to offer the Volunteer Income Tax Assistance (VITA) program at our Pottstown location. Through this support we are able to assist more than 350 low-income households annually to secure quality, free tax assistance enabling these households to retain the full benefit of their tax credits and refunds. This influx of income for these fragile households is life-changing.

We are hopeful that by strengthening Capital One through this partnership with Discover, that the commitment to the communities served will continue to grow. Capital One has been a valued and responsive community partner. We fully support this partnership.

If additional information is needed, I can be reached at the below contacts.

Kelly Canally, MSS, MLSP
Chief Executive Officer
Family Services
3125 Ridge Pike
Norristown, PA 19403
(610) 630-2111, ext 232
(610) 630-4003 - fax
kcanally@fsmontco.org

[Facebook](#) | [Instagram](#) | [LinkedIn](#) | [Linktree](#)

[Learn about our 2024 Virtual Silent Auction, Cocktails for a Cause, May 15-19, 2024](#)

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message.

From: [Leah Fremouw](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support for Capital One and Discover Merger
Date: Tuesday, April 23, 2024 2:29:27 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[Capital One Public Comment Letter.pdf](#)

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To whom it may concern,

I have attached a letter of support for Capital One's upcoming acquisition of Discover.

Thank you,
Leah

Leah Fremouw

(Pronouns: she, her, hers – [What's this?](#))

President & CEO

Mobile 804.629.1662

bridgingvirginia.org



*****Please note that this email is being sent at a time that is convenient for me. There is no expectation of a response or other actions outside of your normal business hours*****

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April 22, 2024

To Whom It May Concern,

I am writing to share our experience partnering with Capital One and to highlight the significance of its strategic investments within our community. Bridging Virginia's mission revolves around facilitating capital access and lending opportunities for historically marginalized businesses. Our success hinges on establishing strong relationships and collaborations with like-minded banking institutions like Capital One.

Capital One's recent application to acquire Discover is poised to have a profound impact and presents a promising opportunity to bring together two companies with long-standing track records of delivering award-winning customer experiences, breakthrough innovation, and accessible financial products. It promises to extend the reach of Capital One's community-first values and bolster affordable lending in our region. Their commitment to creating opportunities for underserved businesses has established them as a responsible and responsive partner. Expanding this level of community care will foster even more opportunities for small businesses.

Bridging Virginia is deeply engaged with Capital One and has witnessed firsthand their dedication to empowering nonprofits and business clients like ours. Their investments in our work have allowed us to scale our risk-tolerant lending, catalyze new workforce development programs, and create an innovative investment fund designed to build wealth through several community-focused investment products.

I would be pleased to respond to any questions or provide further support for this process as needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Leah Fremouw". The signature is fluid and cursive, with a long horizontal stroke at the end.

Leah Fremouw, President & CEO

From: donovanrobert170@gmail.com
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Discover Merger Will Benefit Consumers and Small Businesses.
Date: Tuesday, April 23, 2024 3:17:58 PM

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Dear Sir/Madam

I am writing to express my support for the merger between Capital One and Discover. This merger has the potential to significantly expand access to credit for individuals and small businesses in Rhode Island and across the country.

As a former Executive Director with over forty years' experience running state programs which provided financing to nonprofit organizations and small businesses in Rhode Island, access to credit is critical not only to them but to the individuals they serve many of whom are in underserved communities.

Both Capital One and Discover have a demonstrated commitment to making the credit economy more accessible to everyone, regardless of income or background. Capital One's initiatives to eliminate overdraft fees and offer accessible credit cards, combined with Discover's reputation for customer-friendly banking services, have already made strides in bridging the credit gap for underserved communities.

By joining forces, Capital One and Discover can leverage their resources and expertise to reach even more Americans, including those in Rhode Island who may have previously been "credit invisible." These individuals, who may have been excluded from traditional credit markets due to limited credit history or other barriers, will now have the opportunity to participate in the credit economy and build a solid financial foundation for themselves and their families.

Access to credit is essential for building wealth and increasing financial stability, and this merger aligns with President Biden's agenda to promote economic equity and opportunity for all Americans. By approving this merger, regulatory agencies can help create a more inclusive and equitable financial system that uplifts individuals and communities across Rhode Island and beyond

Robert E Donovan
173 Mountain Laurel Dr.
Cranston RI 02920

Sent from [Mail](#) for Windows

From: [Sara Blackhurst](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] "Capital One Discover Merger Will Help Small Business and Communities"
Date: Tuesday, April 23, 2024 3:44:41 PM
Attachments: [Outlook-mt50h0up.png](#)
[Outlook-Facebook.png](#)
[Outlook-Twitter.png](#)
[Outlook-YouTube.png](#)
[Outlook-Instagram.png](#)
[ActionCO letter Capital One.pdf](#)

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Please find letter attached...

Thank you for making a difference,

Sara Blackhurst

CEO, Action Colorado

719-369-7901

[Click here to join ActionColorado](#)

www.actioncolorado.org

[Radio Show Making Action Happen](#)



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503 N. Main, Suite 657
Pueblo, CO 81003
sara@action22.org
www.actioncolorado.org

April 23, 2024

To Whom it May Concern;

As the CEO/President of Action Colorado, a nonprofit organization dedicated to empowering communities and small businesses across the state, I am excited to express my support for the proposed merger between Capital One and Discover. This merger holds immense promise for increasing competition in the financial services industry, which will ultimately benefit small businesses and uplift communities throughout Colorado.

Small businesses are the backbone of our economy, and competition is vital for their success. However, the dominance of major players like Visa and Mastercard in the credit card processing market has limited options for small businesses, leading to higher costs and less favorable terms. The merger between Capital One and Discover offers a solution by bolstering Discover, another but much smaller player in the market. Making Discover more competitive with Visa and which will increase competition, providing small businesses with more choices and better opportunities to thrive.

Furthermore, a more competitive credit card processing network market will have a ripple effect thanks to the importance of small businesses to communities as a whole. Small businesses are integral parts of their communities, driving job creation, economic development, and community engagement. By empowering small businesses with access to more competitive financial services, this merger will help uplift communities by fostering entrepreneurship, supporting local economies, and creating opportunities for economic advancement.

In conclusion, the proposed merger between Capital One and Discover has the potential to transform the financial services industry in Colorado and beyond. By increasing competition and providing small businesses with greater access to affordable financial services, this merger will help uplift communities, stimulate economic growth, and create a more inclusive and prosperous future for all. As the CEO/President of Action Colorado, I am proud to support this merger and its positive impact on small businesses and communities across our state.

Sincerely,

Sara Blackhurst, Pres/CEO
Action Colorado

From: [Christina Gonzalez](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Julie Candoli](#)
Subject: [External] Foundation Communities" Comments on Capital One/Discover Merger
Date: Tuesday, April 23, 2024 4:18:24 PM
Attachments: [image001.png](#)
[Foundation Communities Public Comment for Capital One Discover Merger 2024.pdf](#)

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Good afternoon,

Please find Foundation Communities' public comments on the Capital One and Discover merger attached to this email.

Thank you,
Christina

Christina M. Gonzalez, PhD (she/her/ella)

Grant Writer | Foundation Communities

Office: (512) 615 – 4748 | Email: christina.gonzalez@foundcom.org



www.foundcom.org



3000 S IH 35, Ste. 300
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

foundcom.org



April 17th, 2024

Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001

Dear Federal Reserve Bank Secretary of the Board:

This letter constitutes Foundation Communities' public comment in the regulatory approval process for the Capital One and Discover merger.

Foundation Communities is a leading non-profit organization based in Austin, Texas that provides affordable housing to over 9,000 low-income Central and North Texans across 29 residential properties that we own and manage. We also provide free social services in the areas of finance, education, and health to our residents and tens-of-thousands of their community neighbors each year. Among the free social services that we provide are financial wellness programs that include financial coaching and IRS-certified tax preparation through our over two-decades-long participation in the IRS' Volunteer Income Tax Assistance Program (VITA).

Foundation Communities' relationship with Capital One goes back to 2006, when Capital One began donating and awarding grants to Foundation Communities, totaling nearly \$500,000 to fund various projects. Since 2016, Capital One has been a consistent funder and valued supporter of our financial wellness programs, especially VITA, in Austin and Dallas. In 2023 alone, Capital One grants helped Foundation Communities file around 25,000 tax returns and return \$35.5 million to hard-working, low-income individuals and families. Our long-term partnership with Capital One is invaluable and vital to our ability to reach, serve, and economically empower as many low-income Austinites and Dallasites as possible.

Sincerely,

Walter Moreau

Walter Moreau
Executive Director



This letter certifies that no goods or services were provided to Orsinger Foundation as a result of its contribution; the full charitable donation amount is tax deductible under IRS regulations. Foundation Communities is a 501(c)(3) organization.

From: [June Evans](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support: Capital One's Application to the Federal Reserve to Acquire Discover
Date: Tuesday, April 23, 2024 5:15:23 PM
Attachments: [Capital One Discovery Acquisition.pdf](#)

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April 23, 2024

Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue, NW
Washington, DC 20551-0001

RE: Capital One's application to the Federal Reserve to acquire Discover

To Whom it May Concern,

I am writing on behalf of the Bowie Business Innovation Center (Bowie BIC), a non-profit organization dedicated to equipping entrepreneurs, elevating business performance, and expanding businesses into diverse markets. The Bowie BIC would like to show its support for Capital One in its effort to acquire Discover. Capital One's support and funding for the Bowie BIC's award-winning 8(a) Accelerator allows us to educate socially and economically disadvantaged businesses on becoming bankable, equip businesses to pursue government contracts, and elevate business performance in all areas during rapid growth and expansion.

The Bowie BIC is a business accelerator and expert network located at Bowie State University. The Bowie BIC is the first business accelerator and incubator in the State of Maryland located on a Historically Black College and University (HBCU). Our business accelerators contribute greatly to the City of Bowie and Prince George's County thriving entrepreneurial ecosystem. Due to Capital One's support and continuous funding, the award-winning 8(a) Accelerator program model of customized training, mentorship and networking has demonstrated success. Since December 2019, the Bowie BIC has helped 170 8(a) firms further develop their procurement capture strategies and earn over 45 million in federal contracts.

Our 8(a) Accelerator model has effectively delivered economic impact by leveraging federal government resources and maintaining its long-time collaboration with the U.S. Small Business Administration (SBA) and Capital One. The 8(a) Accelerator serves as the inspiration for U.S. Senator Ben Cardin's UpLift legislation: to strengthen support for diverse and inclusive entrepreneurship by appropriating new funding to establish entrepreneurship centers at HBCUs nationwide.

The Bowie BIC would like to thank the Federal Reserve Bank Secretary of the Board for this opportunity to share information about the impact non-profit organizations have in the community due to longstanding support from Capital One. The Bowie BIC is in favor of Capital One acquiring Discover because we believe that the acquisition will make Capital One stronger and allow them to expand their partnerships in the community. If you have any questions about our letter of support, feel free to contact me at june.evans@bowiebic.com.

Sincerely,

June L.W. Evans

June L.W. Evans, Executive Director
Bowie Business Innovation Center (Bowie BIC)
Entrepreneurship Living Learning Community
14000 Jericho Park Road, A-131,
Bowie, MD 20715
301.651.0089 (C) | June.evans@bowiebic.com
www.bowiebic.com



April 23, 2024

Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue, NW
Washington, DC 20551-0001

RE: Capital One's application to the Federal Reserve to acquire Discover

To Whom it May Concern,

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Sincerely,

A handwritten signature in black ink that reads "June L.W. Evans".

June Evans, Executive Director
Bowie Business Innovation Center (Bowie BIC)
301.651.0089 | www.bowiebic.com

From: info@southfaircdc.org
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Merger
Date: Tuesday, April 23, 2024 5:50:43 PM
Attachments: [image002.png](#)

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SouthFair Community Development Corporation (SouthFair) is sending a note on the community development partnership it has had over many years with Capital One. SouthFair first started supporting SouthFair and other local community development corporations (CDCs) around 2010. During this time, Capital One invested funding, marketing and staff into creating the Dallas Housing Coalition (DHC). This established coalition of local CDCs branded a platform to assist with helping individuals and families become mortgage ready, uplifting the CDCs through grant and marketing support and creating a collaborative energy with a focus on those 80% and below HUDs Area Median Income. Even years after the DHC went dormant Capital One continued to provide support to SouthFair through annual grant funding and construction lending. With the nonprofit environment being so competitive for grant and donation resources, SouthFair knows that it can depend on the annual support of Capital One towards our community development efforts year after year.

SouthFair is a nonprofit located in Dallas that has a mission to revitalize the South Dallas/Fair Park community through economic development, residential development and connectivity of social services. SouthFair, established in 1991, has 33 years of commitment to the community it serves and has invested over \$35 million dollars of development in Dallas.

30 YEARS
SOUTHFAIR
1991-2021

From: [Carole Gordon](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment letter for Capital One
Date: Tuesday, April 23, 2024 6:49:43 PM
Attachments: [image001.png](#)
[Public Comment Letter_0001.pdf](#)

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Please see attached.

Carole Gordon, Sr. VP, Housing Development
290 Lenox Avenue, Floor 3 • NY, NY 10027
c: (646) 612-0395
cgordon@thebridgeny.org • <http://www.thebridgeny.org>





April 23, 2024

Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue NW
Washington DC 20551-0001

RE: Public Comment Period for Capital One and Discover

To Whom It May Concern,

The Bridge, now celebrating 70 years, is one of NYC's leading community-based 501(c)3 nonprofit organizations offering integrated behavioral and primary health care services, homeless outreach, and affordable/supportive housing to more than 4,000 vulnerable New Yorkers each year. We offer a comprehensive range of services to adults with serious mental illness and/or substance use disorders, veterans, frail/disabled seniors, and young adults aging out of foster care or residential treatment facilities who have experienced homelessness, institutionalization, and incarceration. We have developed and operate 27 buildings and lease 500 scatter-site apartments providing housing with services to 1,600 men and women and including families and single adults living on low incomes; and growing.

Capital One has formed a partnership with The Bridge that has positively impacted our ability to successfully carry out our goals. We are pleased to have this opportunity to comment on our experience and engagement with Capital One.

Capital One has been our partner on several important projects. For our Melrose Commons Supportive Housing project in the Bronx, Capital One provided credit enhancement for the development of a 59-unit low-income housing tax credit building with preference for homeless veterans experiencing serious mental illness. Capital One provided a pre-development grant through the "Bring Them Home" initiative for a HUD financed 811 project, Bathgate Gardens, also serving veterans experiencing serious mental illness in the Bronx. For this same project, Northfork Bank, prior to becoming part of Capital One, successfully sponsored a Federal Home Loan Bank of New York application for gap funding. Capital One worked with us on the application.

The Bridge was one of only three organizations awarded a Blueprint For Tomorrow \$100,000 grant which also made us eligible for a loan at 2.5% for predevelopment costs. This was enormously helpful, not only for the recognition, but in the early stages of development of a housing model in Brownsville, Brooklyn to create 174 units of affordable/supportive housing and light manufacturing jobs on underutilized property. This model paves the way for future development of affordable housing by rezoning manufacturing property in NYC. The project will begin operations this summer.

Finally, Capital One has provided annual grants between \$25,000 and \$50,000 to support pre-development costs of a number of other housing projects helping to advance the goals of The Bridge to provide supportive and affordable housing to New Yorkers in need. We are proud of our ongoing partnership with Capital One and appreciate this opportunity to demonstrate how impactful Capital One continues to be for The Bridge.

Sincerely,

Carole Gordon
Sr. VP for Housing Development

From: [Andrea Wassmer](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Letter of Support
Date: Wednesday, April 24, 2024 8:07:22 AM
Attachments: [MWFFedLetter.pdf](#)

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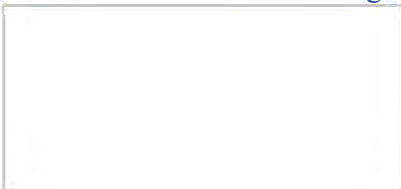
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To whom it may concern,

Attached, please find our foundation's letter in support of Capital One's acquisition of Discover.

Please let me know if you have any questions, and thank you for your consideration.

Sincerely,
Andrea Wassmer
The Michael Wassmer Foundation
www.wassmerfoundation.org





**MICHAEL WASSMER
FOUNDATION**

P.O. Box 29786
Henrico, VA 23242
info@wassmerfoundation.org
www.wassmerfoundation.org

Andrea Wassmer
President
The Michael Wassmer Foundation
P.O. Box 29786
Henrico, VA 23242

April 23, 2024

Federal Reserve Bank of Richmond
Secretary of the Board
PO Box 27622
Richmond, VA 23261

Dear Members of the Federal Reserve Board,

I am writing to express my strong support for Capital One's proposed acquisition of Discover. Capital One has been a critical partner of the Michael Wassmer Foundation, which was founded in honor of my late husband, Michael Wassmer, a long-time executive of the company who passed away in June of 2022. Our foundation aims to provide significant need-based college scholarships to deserving students in the Richmond region, reflecting Mike's unwavering commitment to his community.

Capital One has been instrumental in the success of the foundation, making an early financial investment of \$350,000, as well as providing pro bono support with our brand and website design. Their dedication to empowering young people to meet their full potential aligns perfectly with the values that Mike embraced. In addition, Capital One is working on providing access to various development opportunities for Wassmer Scholars, giving them valuable insight and experience in the professional world.

The acquisition of Discover by Capital One will undoubtedly benefit the Central Virginia community that we both serve. Their commitment to innovation and excellence will continue to drive economic growth and opportunity for individuals locally and across the country. This acquisition will further strengthen their position as a leader in the financial services industry, ensuring continued success in the years to come.

I urge the Federal Reserve to support Capital One's acquisition of Discover, knowing that it will have a positive impact on our foundation and the community as a whole. Thank you for your consideration.

Sincerely,

Andrea Wassmer
President, The Michael Wassmer Foundation

From: [Jennifer Bodensiek](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Lynne Ford](#)
Subject: [External] Public Comment Letter- Capital One sent on behalf of Lynne Ford, Interim CEO, JA of Greater Washington
Date: Wednesday, April 24, 2024 9:41:10 AM
Attachments: [JAGW.CapitalOne.FRBLOS.4.24.24.pdf](#)

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Dear Secretary Misback,

Please find attached the public comment letter, sent on behalf of Lynne Ford, Interim CEO, for Junior Achievement of Greater Washington, regarding the matter before you regarding Capital One. Enclosed outlines Capital One's partnership with Junior Achievement in the Greater Washington area and its great impact on the community.

Thank you for the opportunity to share comment and the significance of this partnership on our communities.

Jennifer Bodensiek | Chief Development Officer
Junior Achievement of Greater Washington
919 18th Street, NW | Suite 901 | Washington, DC 20006
M: 443.921.5362 | jennifer.bodensiek@ja.org

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-



April 24, 2024

Ann E. Misback
Secretary of the Board
Federal Reserve Bank
20th Street and Constitution Avenue NW
Washington DC 20551-0001

Submitted Electronically to:
Comments.applications@rich.frb.org

Subject: Public Comment on Capital One's Commitment to Financial Education and Community Impact

Dear Secretary Misback,

I am writing to you as the Interim CEO of Junior Achievement of Greater Washington, an organization dedicated to inspiring and preparing young people to succeed in a global economy. Our mission is to empower the next generation through programs that foster work-readiness, entrepreneurship, and financial literacy skills.

At Junior Achievement of Greater Washington, we have the privilege of collaborating with committed partners who understand the importance of investing in our youth. A prime example of such a partnership is our longstanding relationship with Capital One. Since 2010, Capital One has committed more than \$11 million, significantly bolstering our efforts to educate and prepare more than 300,000 youth in the Greater Washington area for future success. This investment goes beyond mere financial support; it includes a dedicated volunteer force of over 4,000 Capital One associates who, over the years, have shared their time and expertise to bring real-world experiences into the classroom.

Why is this partnership so crucial for young people and their families? It provides essential tools and education that help bridge the gap between academic learning and practical, real-world application. This collaboration enables us to equip students not only with the knowledge but also with the confidence to navigate the complexities of the financial world, enhance their employability, and ignite their entrepreneurial spirit. These are critical components in helping families build a stable economic future, thus contributing to the overall health and vitality of our community.

In light of the ongoing discussions surrounding Capital One's community impact, I find it imperative to emphasize how their support has directly enhanced our capacity to pursue our goals. The investment by Capital One in Junior Achievement of Greater Washington has been a catalyst for meaningful and lasting impact within our community, helping to mold a well-prepared workforce that is equipped to face the challenges of tomorrow.

Thank you for considering our perspective. We are committed to continuing our work with Capital One and other stakeholders to further our mission and amplify our impact on the community. We believe that such efforts resonate deeply with Capital One's mission to "Change Banking for Good," and we are eager to see this vision continue to unfold in ways that benefit all stakeholders involved.

Sincerely,

A handwritten signature in black ink that reads "Lynne Ford".

Lynne Ford
Interim CEO, Junior Achievement of Greater Washington
Lynne.Ford@ja.org | 347.449.0104

From: [Levine, Leigh](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Community Partner Comment regarding Capital One
Date: Wednesday, April 24, 2024 10:45:49 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

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To the Federal Reserve Bank,

I am writing on behalf of YES Prep Public Schools (YES Prep) to share our positive experiences with Capital One. Capital One has served as an incredible partner to YES Prep since 2009, investing nearly \$1 million in worthy programs and initiatives to support our mission: to empower all Houston students to succeed in college and to pursue lives of opportunity. Since 1998, YES Prep has redefined what is possible in public education. With over 18,000 college-bound students across 23 campuses in the greater Houston area during the current school year, we are a system of high-performing public charter schools proving that students from underserved communities can achieve at the highest academic levels. YES Prep campuses are strategically located in communities across Houston where low-performing schools are abundant and access to a high-quality education is most limited. All campuses are tuition-free, open to all children, and have no special requirements for admittance. We use a blind lottery for enrollment and do not screen academic or behavioral records before admitting students. Roughly 37% of our alumni earn a degree or credential within six years of high school graduation, which is nearly three times the college completion rate for students from similar communities nationally. Our exceptional results demonstrate that better outcomes are not only possible, but also probable, when school systems build a culture of high expectations, and create effective support systems to ensure that student achievement is at the forefront of every decision made.

This partnership with Capital One has helped YES Prep expand its high-quality public school education across Houston. Capital One has specifically supported YES Prep's College Initiatives Program with a focus on helping students become college-ready and cross the finish line to graduation from college and beyond. YES Prep's College Initiatives program is intentionally designed and focuses on getting students into college and building the knowledge, skills, and mindsets needed to thrive in college and in the workforce. YES Prep believes in the goal of preparing every student for college, regardless of whether they choose to attend. When a student is ready for college, they are equipped with the knowledge and skills to be a productive and contributing member of their community and ready for any future opportunity they wish to pursue. Program highlights include personalized college counseling, college

seminar classes, unique student opportunities, strategic partnerships with post-secondary programs, and robust alumni support. Thanks to Capital One's continued investments to strengthen our College Initiatives Program, YES Prep ensures students are ready to pursue their post-secondary pathways and become the skilled workforce for Texas and beyond.

This partnership has helped YES Prep expand its high-quality public school education across Houston and we are grateful for Capital One's exceptional commitment to our mission and the students we proudly serve.

Sincerely,

Leigh Levine

Leigh Levine

Managing Director of Development
YES Prep Public Schools
5455 South Loop E. Fwy • Houston, Texas 77033
TEL 713-924-5387

yesprep.org



From: [Antonette N Smith, CNP](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Missy O. Jeje, M.Ed](#)
Subject: [External] Comments Re: Capital One & Discover
Date: Wednesday, April 24, 2024 11:14:23 AM
Attachments: [image001.png](#)
[Capital One.pdf](#)

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Good Morning

Attached please find a letter outlining our experience and engagement with Capital One.

Thank you,
Antonette

Antonette N. Smith, CNP
Executive Director

[Just The Beginning - A Pipeline Organization](#)

70 West Madison Street, Suite 2900, Chicago, IL 60602*
312.661.5572

[Pronouns: she, her, hers](#)

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JUST THE BEGINNING—
A Pipeline Organization



JUST THE BEGINNING – A Pipeline Organization

April 23, 2024

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Cristina M. Figueroa, JD

Program Manager
Missy O. Jeje, M.Ed

Marketing & Operations Associate
Bernadette Dwyer

Federal Reserve:

Re: Capital One and Discover Partnership

Please accept this letter outlining some of our work with Capital One as you review their pending partnership with Discover. Just The Beginning – A Pipeline Organization (JTB) is a non-profit organization founded by federal judges whose mission is to encourage students of color and from other underrepresented groups to pursue career and leadership opportunities in the law. For more than three decades, we have remained dedicated to promoting diversity within the legal profession through various programs and initiatives. Our efforts encompass educational programs for middle and high school students, undergraduate webinars, law student externships, and national conferences that bring together a wide range of legal professionals from different backgrounds. All of our programming is 100% free to students thanks to the support of partners like Capital One.

We were first connected with Capital One in the fall of 2020 after which they immediately became active financial supporters, volunteers, and advocates for JTB and our commitment to ensuring lawyers and judges reflect the populations they serve. In 2021 Capital One stepped up immediately providing JTB with the financial resources needed to create JTB University, a virtual programming platform we continue to use today. This platform ensured there was no interruption in the exposure and opportunities so desperately needed by our students because of the pandemic. In 2022 & 2023, Capital One's legal team played a key role in our Summer Judicial Internship Diversity Project by reviewing the writing samples of law students from across the country. In 2024, Capital One was instrumental in launching our inaugural iLead Law and Leadership Conference in Richmond, Virginia. This one-day event provided students with various workshops and legal exercises to help them explore careers in law while offering networking opportunities with peers and legal professionals. Additionally, during our 12th National Conference and 30th Anniversary Celebration here in Chicago, we were pleased to present Capital One with our Corporate Diversity Partnership Award. Not only are they champions of diversity in the legal professions, but diversity, inclusion, and belonging are valued at their core.

The support from Capital One has had a profound impact on our ability to fulfill our mission and promote diversity and inclusion in the legal field. Their financial backing and volunteer efforts have allowed us to reach more students, create new programs, and offer more meaningful mentorship opportunities. Through our ongoing partnership, we aim to continue making strides toward a more diverse and inclusive legal profession.

Thank you for taking the time to read about our relationship with Capital One and its impact on our mission. We look forward to continuing our partnership with Capital One and building on the progress we've made together.

Best,

Annette N. Smith
Executive Director, Just the Beginning – A Pipeline Organization

From: [Tara Durant](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter of Support
Date: Wednesday, April 24, 2024 11:28:54 AM
Attachments: [Capital One. Federal Reserve. 04.24.2024.pdf](#)

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On behalf of Senator Tara Durant, please see the attached letter. Thank you for your consideration.

Thanks,
Kathy

Kathy Roberts, Chief of Staff
Tara A. Durant
Senate of Virginia, 27th District
senatordurant@senate.virginia.gov
General Assembly Building, Rm. 505
(804)698-7527

SENATE OF VIRGINIA

TARA DURANT
27TH SENATORIAL DISTRICT
ALL OF THE CITY OF FREDERICKSBURG;
AND PART OF SPOTSYLVANIA AND STAFFORD
COUNTIES

P.O. BOX 7113
FREDERICKSBURG, VIRGINIA 22404



COMMITTEE ASSIGNMENTS:
EDUCATION AND HEALTH
LOCAL GOVERNMENT
PRIVILEGES AND ELECTIONS

April 24, 2024

Federal Reserve Bank
Secretary of the Board
20th Street and Constitution Avenue, NW
Washington, DC 20551-0001

Dear Sir / Madam:

I am writing to express my support for Capital One's acquisition of Discover Financial. Capital One employs over 22,000 associates in the Commonwealth of Virginia, and 100 live in the 27th State Senate district I represent.

As a long-time Capital One customer, I believe their products and services are fair, compelling, and accessible to all segments of the market. I was pleased to learn Capital One was the first Top 10 bank to eliminate all overdraft and insufficient funds fees on their accounts. This is a customer friendly measure that Capital One made proactively, and other banks have followed their lead.

I have met several Capital One executives and associates during the Virginia General Assembly Session. For the past 13 years, Capital One has hosted the "Women in Banking / Women in Government" dinner in Richmond. This bipartisan, bicameral event is a highlight of the General Assembly Session and connects female members of the legislative and executive branches with Capital One's top female leaders and rising stars. The event creates numerous opportunities for collaboration and relationship building across the aisle, and between the public and private sectors.

At this year's dinner, I was seated with leaders from Capital One's Community Impact & Investment Team, Card Risk Office, and Premium Products Team. I was incredibly impressed with the women's commitment to communities, sophisticated risk management skills, and their genuine desire to provide compelling products to customers. They spoke highly of Capital One's Women's Business Resource Group, Empowher, and the support it provides to female associates as well as a new resource group, &family, that supports associates who are balancing career and caregiving.

As a working mother myself, I appreciate the great benefits Capital One provides to associates and their families, especially women. Capital One is regularly named one of the Best Companies for Parents, Best Workplaces for Women, and one of the Best Adoption-Friendly Workplaces.

For example, Capital One provides a range of supportive programs and services for parents including full domestic partner coverage, fertility assistance, and expanded benefits for part-time associates. Capital One provides parental leave paid at 100 percent for full-time associates, with all new parents receiving 8 weeks of paid parental leave, including those who grow their family through adoption, foster care or surrogacy. Associates giving birth receive additional time off for healing for a total of 18 weeks paid leave. In addition, Capital One offers dependent care benefits, including 15 days of backup child or adult care through a national network of fully screened and vetted care centers or in-home care options. Capital One has a generous adoption reimbursement program and surrogacy reimbursement program. Full-time associates are eligible for up to \$35,000 per child, with a lifetime limit of 3 combined surrogacy or adoption reimbursement requests.

I believe the proposed transaction will increase competition and choices for consumers and businesses and allow a great Virginia employer to grow in a responsible manner. I hope the respective regulatory bodies will act favorably on it. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Tara A. Durant". The signature is written in a cursive style with a long horizontal flourish at the end.

The Honorable Tara A. Durant
Senate of Virginia, 27th District

From: [Summer Xavier](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment for Capital One from One World Education
Date: Wednesday, April 24, 2024 12:12:28 PM
Attachments: [Capital One Public Comment Letter One World Education.pdf](#)

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PLEASE NOTE: This email is not from a Federal Reserve address.

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To Whom it may concern,

Please see my attached public comment letter on behalf of Capital One and One World Education.

Best,

Summer Xavier (she/her)
Deputy Director

oneworldeducation.org

Schedule an interest meeting: https://bit.ly/summer_owe

One World Education's mission is to transform students into writers with voice, knowledge, and purpose.

Summer Xavier
One World Education
1800 Kenyon St. NW
Washington, DC 20010

April 23, 2024

Federal Reserve Bank Secretary of the Board 20th Street and Constitution Avenue NW,
Washington DC 20551-0001

Capital One Public Comments

To Whom it may concern,

My name is Summer Xavier; I am a resident and long-time educator in the District of Columbia and currently serve as the Deputy Director of One World Education. We are a small district-based education non-profit, born in a classroom of an “at-risk” neighborhood school in 2007. One World’s mission is to transform students into writers with voice, knowledge, and purpose. Our vision is that all students become effective writers and communicators. One World Education has been the largest writing program in Washington, DC, for eight years, impacting nearly 50,000 district students and countless DC educators and this is not possible without the partnership and generosity of Capital One.

Only a third of DC students graduate high school ready for college writing. Current failures across the nation cost billions of dollars in remediation annually for colleges and American companies, a great cost to bear for students and families already facing financial insecurity. One World Education, with the support of Capital One, is working tirelessly to address this major issue in our education system.

Our partnership with DC Schools supports students in making significant gains in research and writing skills. Student success is a teacher’s success too. Our team offers thorough training in key elements of teaching writing. This is significant for teachers who report never having received formal instruction in teaching writing. Through our partnership with schools, 90% of teachers will report feeling prepared for program implementation and 100% find it to be a good use of time. We know that DC has amazing expert teachers but supporting their growth as writing teachers has a meaningful impact on the future of DC students and their college and career matriculation.

Additionally, more than ever, schools are looking for support and partnerships beyond their walls to meet the growing needs of their school communities. The effects of the pandemic are acutely felt in DC schools as educators grapple with how to teach and uplift students while managing their well-being. Many of our schools are dealing with teacher shortages and a lack of dedicated staff to serve the social-emotional needs of students. Capital One and our Community Impact & Investment manager understand the need we are filling. Part of our commitment is that 70% of students will show gains in their social and emotional learning as measured in pre- and post-program surveys. One World provides a safe space for students to learn about, discuss, and write about issues they are experiencing or are passionate about and that is for the good of our communities and our One World.

As we grow and strengthen our program we are grateful for the continued support and partnership with Capital One and I am encouraged by all the ways the corporation will elevate its mission through the partnership with Discover.

Best Regards,

A handwritten signature in black ink, appearing to read "Summer Xavier". The signature is fluid and cursive, with a large, stylized "X" at the end.

Summer Xavier

From: [Abe Schuchman](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Email in Support of Capital One Acquisition of Discover
Date: Wednesday, April 24, 2024 12:17:20 PM

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Dear Sir or Madam:

I write to convey my support for Capital One's acquisition of Discover. I am the founding CEO of Housing Unlimited Inc. (HUI). For the past 30 years, HUI, a 501c3 charitable community-based corporation, has provided affordable, independent housing for adults in mental health recovery in Montgomery County. Four out of every 10 new HUI tenants are formerly homeless individuals. We promote independence and recovery by providing a stable and comfortable home. Knowing that their housing is secure, our tenants focus on becoming valued and integrated members of the community. We provide shared housing - three bedroom townhouses and two bedroom condominiums - and rent them at below market rates to qualified individuals. Rent is computed on a sliding scale based on income and is capped to encourage employment and maintain a sense a security. Tenants are responsible for their own health, finances, interpersonal relationships, and maintaining a clean home.

For many years now, Capital One has been a steady financial supporter of Housing Unlimited. The charitable grants that we have received from Capital One have played a pivotal role in our ability to expand and grow. Starting with our acquisition of one home in 1995, we now own 90 homes throughout Montgomery County and serve 247 very low income individuals in mental health recovery. Beyond its critically important financial support, Capital One has also provided pro bono technical assistance to HUI. For example, four caring Capital One communications professionals came together this spring to provide important pro bono marketing, messaging, and media strategies to HUI. HUI has always needed to make ourselves heard in an increasingly noisy world, but before our engagement with Capital One we didn't have on hand a team of professionals who could take a deep dive into what was required to amplify our brand.

The pro bono Capital One team treated the HUI staff like a high-paying, VIP client from day one. Over a two month period, they attended our team meetings to hear from every one of our employees and tenant interns. In addition, they hosted twice weekly meetings with those of us involved in social media and fundraising, and they had one-off meetings with our Development Director and me so that they could get to the heart of what we do. In addition

to refining our key messages and audience development, our Capital One team gave us constructive feedback on our website and social media and put together a media kit which included well-matched media contacts for us to pitch stories. Their final product came in the form of a 42-page strategic communications document that we are utilizing today.

As HUI celebrates its 30th year in the community this year, we are grateful that Capital One has provided us with ongoing financial support as well as their top-tier expertise. Working with professionals from a different sector who are not inside our bubble has helped Housing Unlimited to question our assumptions and redefine what is possible. For all of these reasons, we encourage you to approve Capital One's acquisition of Discover.

Respectfully,

Abe Schuchman, CEO
Housing Unlimited
12125 Veirs Mill Road, Suite 201
Silver Spring, MD 20906
240 388 7569
www.housingunlimited.org

I am pleased to share that we were recently featured on the Solutions local cable tv show: <https://www.youtube.com/watch?v=1xJE3ubRGC4>



From: [Zac Hall](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Federal Reserve Comment Period - Capital One
Date: Wednesday, April 24, 2024 12:37:58 PM

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Dear Chairman Powell,

As a longtime partner of Capital One, Food Bank For New York City (Food Bank) is pleased to share the following letter of support.

Founded in 1983, Food Bank is at the forefront of hunger-relief efforts in New York City. In keeping with our mission to empower every New Yorker to achieve food security for good, Food Bank's work goes beyond the nutritious food our clients need to feed themselves today, as we know hunger and food insecurity is a multifaceted issue for families in need. In addition to our work distributing millions of meals every year, Food Bank's programming enables New Yorkers to gain access to financial resources and benefits so that they can afford to feed themselves and their families for the longer term.

A cornerstone of this economic empowerment work is Food Bank's IRS-certified Volunteer Income Tax Assistance (VITA) program. For more than 20 years, Food Bank has provided free tax preparation services for low-income New York City residents and we are the largest civilian tax provider in the country - securing over \$1.4 billion in refunds for low-income households.

Services like VITA are critical for low-income and food insecure populations. The average adjusted gross income (AGI) of Food Bank's tax clients is \$22,000 per year – extremely low given the high cost of living in New York City. Capital One has been a valued partner in Food Bank's work over the past 14 years, providing over \$500,000 in funding support during this time, including support for our VITA tax assistance program. Thanks to the support of our donors and partners, including Capital One, in the 2023 tax season, Food Bank's tax program supported more than 19,000 households in receiving over \$30 million in tax refunds and saving our clients an estimated \$8.9 million in retail preparation fees.

Volunteers are a critical part of Food Bank's operations in making sure that healthy, nourishing food reaches our neighbors in need. During our 14 years of partnership, Capital One employees volunteered in a number of capacities in support of our work. We are looking forward to welcoming a group of Capital One volunteers to our Bronx warehouse next month where they will help sort and repack bulk shipped food for distribution across New York City.

On behalf of the low-income clients we serve, Food Bank is sincerely grateful for Capital One's longstanding support of our New York City neighbors in need across the five boroughs. If you have any questions, please feel free to reach out to me directly at zhall@foodbanknyc.org.

Yours sincerely,

Zac Hall
Senior Vice President, Programs
Food Bank For New York City

Zac Hall
SVP, Programs
212-566-7855 Ext. 8358
zhall@foodbanknyc.org
www.foodbanknyc.org

We empower every New Yorker to achieve food security for good.

NOTE: The information in this email is confidential and may be legally privileged. If you are not the intended recipient, you must not read, use or disseminate the information; please advise the sender immediately by reply email and delete this message and any attachments without retaining a copy. Although this email and any attachments are believed to be free of any virus or other defect that may affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by the Food Bank For New York City for any loss or damage arising in any way from its use.

From: [Ankur Arya](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One- Community Partner
Date: Wednesday, April 24, 2024 12:46:16 PM

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Leading Youth Through Empowerment (LYTE) has changed the lives of hundreds of low-income and students of color in Delaware for the last ten years. LYTE currently serves over 500 Delaware middle and high school students and nearly 140 alumni in college. LYTE summer and after-school programming starts in middle school and continues through high school. LYTE High-Dosage tutoring curriculum aligns with Delaware schools and advances students into top school opportunities. The trust we build continues through high school as we support transition and prepare students for college. Students from our first six graduation classes have all been accepted to college with the vast majority of college expenses paid. LYTE has an exceptional track record of changing the academic trajectory of students from a variety of academic starting points. We are even getting our students internships in places like the Governor's office, the Delaware Courts, the Department of State and much more.

Capital One has been a community partner with LYTE for many years. They have been supportive of our work in every way. Our Board VP is a Capital One employee. We also have numerous employees that volunteer their time at our events and mock interview nights for students.

The executive team at Capital One has had us visit more than once and share our story. They were early funders when our org was small and have increased the amount they fund over the years allowing us to grow and build a sustainable foundation for our low-income community. Capital One has been a catalyst for the growth of our organization and has enabled us to serve hundreds of students.

Regards,

Ankur Arya

Executive Director/Founder

LYTE Delaware

ankur.arya@lytescholars.org

(484) 988-1447

[Click Here To Visit Our Official Website and Learn More About LYTE!](#)

From: [Craig Fligstein](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Public Comment Letter
Date: Wednesday, April 24, 2024 1:20:33 PM

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To Whom It May Concern:

I am writing to express my heartfelt support for Capital One's unwavering commitment to the community, particularly through its longstanding financial support of the United Way of Long Island's YouthBuild program. As a dedicated advocate for youth empowerment and community development, I commend Capital One for its proactive role in investing in the future of our young adults.

The YouthBuild program, facilitated by the United Way of Long Island, stands as a beacon of hope for low-income culturally diverse young adults who have faced significant challenges, including dropping out of school. Through this program, participants are provided with invaluable opportunities to obtain their GED, acquire essential career skills, and ultimately secure meaningful employment, thereby breaking the cycle of poverty and dependency on public assistance.

Capital One's generous contributions to the YouthBuild program not only demonstrate its corporate citizenship but also reflect a genuine commitment to social responsibility and the betterment of society. By investing in the education, training, and employment prospects of disadvantaged youth, Capital One is not only transforming individual lives but also revitalizing entire communities.

The impact of Capital One's support for the YouthBuild program extends far beyond financial assistance; it represents a profound belief in the potential of every young person to succeed, irrespective of their background or circumstances. Through its partnership with the United Way of Long Island, Capital One is empowering youth to realize their aspirations, pursue their dreams, and contribute positively to society.

As a member of the community, we wholeheartedly endorse Capital One.

CRAIG S. FLIGSTEIN | Chief Grant Officer
United Way of Long Island | 819 Grand Boulevard, Deer Park, NY 11729
631.940.3752 office | 631.921.1484 cell
craig@unitedwayli.org | www.unitedwayli.org

GIVE. | ADVOCATE. | VOLUNTEER. | LIVE UNITED™



If you or someone you know needs help dial 211, the 24/7/365 help line.



United Way of Long Island fights for the health, education, and financial stability of every person in every community we serve. For every dollar contributed to United Way, 86 cents supports our program impact.



From: [Tara Pak](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Letter/Comment for Capital One
Date: Wednesday, April 24, 2024 1:29:32 PM
Attachments: [image001\[16\].png](#)
[image006.png](#)
[PATH Capital One Letter.pdf](#)

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Hello,

On behalf of PATH, I am happy to provide the attached comment in support of Capital One.

My best,

Tara

TARA PAK

Senior Director of Strategic Partnerships

T: (323) 644-2210



www.epath.org





April 24, 2024

Ann E. Misback
Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue NW, Washington DC 20551-0001

340 N Madison Avenue
Los Angeles, CA 90004
(323) 644-2200
www.epath.org

Brent B. Hassell
Assistant Vice President
Federal Reserve Bank of Richmond
PO Box 27622 Richmond, VA 23261

Dear Ms. Misback and Mr. Hassell,

PATH is writing to express our gratitude for Capital One and their support of our unhoused neighbors. Founded in 1983, we are a leader in California's homelessness and housing sector. Our agency provides person-centered supportive services, develops welcoming affordable and permanent supportive housing communities, and serves 26,000 Californians annually. Over the past decade, we have helped more than 20,000 people move into permanent homes. Capital One's partnership in PATH's work has made all the difference.

Homelessness is growing at an unprecedented rate in California, with the state's 180,000 unhoused residents comprising 28% of the United States' homeless population. Significant government funding is invested into solutions. However, by the time nonprofits receive contracts, there are layers of restrictions that significantly inhibit operations. Partners like Capital One are integral to our work, providing flexible funds that fill in the gaps left by contracts. Over nearly a decade, Capital One's support has helped PATH provide affordable homes and street outreach services to thousands of our unhoused and unsheltered neighbors.

Capital One has also supported PATH's mission through financial workshops that its employees have facilitated. Income is a core factor in maintaining housing, with the high cost of rent being one of many reasons people enter and/or reenter the cycle of homelessness. The financial skills individuals have strengthened in Capital One's workshops are critical to increasing housing retention, which in turn is essential to ending homelessness permanently.

As we reflect on our history with Capital One, PATH is grateful for its partnership in helping all members of our community thrive in safe, health, and stable homes.

Sincerely,

A handwritten signature in blue ink, appearing to read "JHarkDietz", is written over a light blue horizontal line.

Jennifer Hark Dietz, LCSW
Chief Executive Officer

From: [Kimberly Roberts](#)
To: [RICH BankSup Applications Comments](#)
Cc: [Daniel Barker](#); [Coby Jones](#)
Subject: [External] Halcyon: Public Comment Letter for Capital One
Date: Wednesday, April 24, 2024 2:59:40 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[Capital One Letter from Halcyon.pdf](#)

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Dear Sir/Madam-

I am writing to you as the Executive Vice President of Halcyon on behalf of our President and CEO, Dan Barker. We are pleased to attach a letter expressing our heartfelt appreciation for Capital One's steadfast commitment to our organization and our shared mission of empowering impact-driven businesses founded by underserved entrepreneurs.

Capital One's support has been instrumental in propelling our mission forward and fostering the growth of impactful startups throughout the Greater Washington, DC region. From partnering with us on initiatives like the Opportunity Fellowship to their forthcoming collaboration on our EquityTech program, Capital One's dedication to nurturing talent and fostering innovation has catalyzed our programs. We deeply value our partnership with Capital One, recognizing it as a cornerstone of our efforts to empower under-resourced founders and drive positive change. Their commitment to diversity, equity, and inclusion aligns seamlessly with our mission, and together, we have made significant strides in supporting entrepreneurs from diverse backgrounds.

The attached letter from Dan Barker further elaborates on our appreciation for Capital One's ongoing support and dedication. We are grateful for this opportunity to publicly commend Capital One for their unwavering commitment to our shared mission.

Thank you for your attention to this matter, and please do not hesitate to reach out if you require any further information or assistance.

Warm regards,

Kim

Kim Johnson Roberts *(she/her)*
Halcyon
Executive Vice President
phone 202-374-8385



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April 23, 2024

Federal Reserve Bank Secretary of the Board
20th Street and Constitution Avenue, NW
Washington DC 20551-0001

Dear Sir/Madam,

As the President and CEO of Halcyon, I am writing to express our sincere appreciation for Capital One's steadfast commitment to our organization and our mission to ensure that impact-driven businesses founded by undeserved entrepreneurs have the tools and resources they need to thrive. Their unwavering support has been instrumental in propelling our mission forward and fostering the growth of impactful startups throughout the Greater Washington, DC region.

In 2020, Capital One partnered with Halcyon to launch our Opportunity Fellowship, a program that supported founders from and serving residents of Opportunity Zones in the DC metro area. As a result of their catalytic support, Halcyon went on to support nearly 70 companies and over 100 founders in the region. Capital One's dedication to nurturing talent and fostering innovation has been evident through their direct financial support and contributions of talent through the Growth Lab. Their engagement has not only provided vital resources but has also served as a catalyst for the success of numerous entrepreneurs within our community. In 2024, Capital One will partner with Halcyon again on our EquityTech program. This fellowship empowers entrepreneurs across the United States and the globe leveraging technology to increase social and financial inclusion and close equity gaps in wealth, education, and accessibility.

At Halcyon, we deeply value our partnership with Capital One, recognizing it as a cornerstone of our efforts to empower under-resourced founders and drive positive change. Their commitment to diversity, equity, and inclusion aligns seamlessly with our mission, and together, we have made significant strides in supporting entrepreneurs from diverse backgrounds.

Capital One's support has enabled us to prioritize diversity and inclusivity, with over 78% of our ventures having a founder of color and 75% having a woman founder or co-founder. This partnership has not



only enabled us to provide critical resources but has also helped us create a supportive ecosystem where entrepreneurs can thrive and make a lasting impact.

As we continue to navigate the challenges and opportunities of the startup landscape, we are grateful for Capital One's ongoing commitment to our organization and the entrepreneurs we serve. This engagement as a critical community partner has been invaluable, and we look forward to furthering our collaboration to drive positive change in our communities.

Thank you for this opportunity to publicly comment on Capital One's unwavering support and dedication to our shared mission. Together, we will continue to empower entrepreneurs, foster innovation, and create lasting impact in the communities we serve. Sincerely,

Best regards,

A handwritten signature in black ink, appearing to read "Daniel Barker".

Daniel J. Barker
President and CEO

Federal Reserve Bank of Richmond
Brent B. Hassell, Assistant Vice President
P.O. Box 27622
Richmond, Virginia 23261

April 24, 2024

Re: FR Doc. 2024-06537

Dear Chair Powell, Vice Chair Barr, and Members of the Board,

We write to oppose the proposed merger of Capital One Financial Corporation and Discover Financial Services. We believe the transaction poses risks to the financial stability of the U.S. banking system, threatens competition in banking and credit cards, and hands the acquiring firm the ability and incentive to hike interchange fees, which would harm American businesses and consumers. We believe the transaction is illegal under both the Bank Merger Act and the Clayton Act, and that it clearly contravenes the public interest. The Federal Reserve must act swiftly to deny this merger transaction.

The following is an in-depth analysis of the merger transaction providing evidence that this transaction violates both antitrust law and our nation's federal bank merger statutes.

Signed,

American Economic Liberties Project.

Capital One-Discover: A Competition Policy and Regulatory Deep Dive

Shahid Naeem

Senior Policy Analyst, American Economic Liberties Project

March 2024

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Capital One-Discover: A Competition Policy and Regulatory Deep Dive

Executive Summary:

This report is a competition policy and regulatory analysis of Capital One's proposed acquisition of Discover. This deal would (1) allow Capital One to increase interchange revenue by increasing fees on merchants, (2) increase Capital One's asset base so it gains access to a de facto government backstop, and (3) fortify Capital One's market power in the credit card industry. We believe this deal is likely to face serious regulatory headwinds and is unlikely to be consummated.

Part I: Parties, Markets, and Acquisition

Capital One, a major U.S. bank and top credit card issuer, has announced its intention to purchase financial services company Discover in a \$35.3 billion all-stock deal. As banks, both firms operate primarily online: Capital One has a relative handful of bank branches — just 250 nationwide — and Discover's sole physical branch is located in Delaware. Capital One is America's ninth-largest bank, holding around \$475 billion in total assets,¹ and is the nation's largest auto lender.² Discover is the 27th-largest U.S. bank, holding \$150 billion in assets.³ Capital One and Discover are the fourth-largest and sixth-largest U.S. credit card issuers, respectively.⁴

Relevant Markets

The key markets of this transaction are banking, credit cards, and payment networks.

Banking: The United States banking system is characterized by tiers: a handful of large banks whose size and complexity carry an implicit government backing, midsized banks that play key roles in regional commerce, and several thousand smaller banks focused on community lending.

Credit card issuers: Credit cards are a key product and submarket in banking. They are nearly ubiquitous: 82% of adults carry one, and credit card debt is the most

¹ "Insured U.S.-Chartered Commercial Banks That Have Consolidated Assets Of \$300 Million Or More, Ranked By Consolidated Assets As of December 31, 2023," Federal Reserve Statistical Release, <https://www.federalreserve.gov/releases/lbr/current/default.htm>.

² Alex Graf and Gaby Villaluz, "Auto loan delinquencies at US banks continue to rise on a year-over-year basis," S&P Global Market Intelligence, May 25, 2023, <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/capital-one-pulls-ahead-of-ally-for-industry-s-largest-auto-loan-book-62940583>.

³ "Insured U.S.-Chartered Commercial Banks That Have Consolidated Assets Of \$300 Million Or More, Ranked By Consolidated Assets As of December 31, 2023," Federal Reserve Statistical Release, <https://www.federalreserve.gov/releases/lbr/current/default.htm>.

⁴ Caitlin Mullen, "Capital One-Discover deal may spark antitrust concern," Payments Dive, Feb. 21, 2024, <https://www.paymentsdive.com/news/capital-one-discover-acquisition-card-network-competition-antitrust/708057/>.

common form of debt in the U.S., recently cresting \$1 trillion.⁵ Bank credit card operations consistently generate greater revenue than other bank activities, at about 4.3 times the banking industry’s average return on assets.⁶ Banks that issue credit cards earn revenue primarily through charging cardholders interest on outstanding balances; banks also receive a percentage of the interchange fees charged by payment networks to process transactions.

Payment networks: Payment networks are the rails on which all card transactions travel. Payment networks transform credit and debit cards from strips of plastic into vital tools of commerce. Banks that issue credit and debit cards rely on payment networks to connect the cardholder and issuing bank to the merchants and their banks, allowing transactions to be authorized and settled in real time. Payment networks earn revenue by charging businesses interchange fees, or “swipe fees,” for the use of their networks, sharing a cut of that revenue with the card issuer’s bank.

Payment networks are a high-margin industry, with the two largest payment networks, Visa and Mastercard, consistently at the top of the S&P 500 index’s average net profit margin measurements — around five times those of the average indexed firm.⁷ Beyond Visa and Mastercard, there are only two other payment networks: American Express and Discover. High barriers to entry and network effects have prevented the formation of new competitors: Discover, the last major network to arrive, came online in 1984.

“Born Analytical”: Capital One’s Business Model

Capital One was “born analytical.”⁸ The firm combines cutting-edge data science with an industry-leading ability to identify high-margin customers — in the credit card industry, these are cardholders who do not pay their credit card bills and revolve monthly balances subject to interest and fees. An innovator since its emergence in the payments industry in 1994, the firm “has built an entire business on the savvy use of information technology,”⁹

⁵ “American Credit Card Debt Hits a New Record—What’s Changed Post-Pandemic?,” Government Accountability Office, Oct. 31, 2023, <https://www.gao.gov/blog/american-credit-card-debt-hits-new-record-whats-changed-post-pandemic>.

⁶ As measured by Return on Assets (ROA), in 2023 banks earned an average of 5.9% from credit card operations, versus an industrywide ROA average of 1.36% overall. See: “Quarterly Banking Profile: Third Quarter 2023,” Federal Deposit Insurance Corporation, Jan. 2024, <https://www.fdic.gov/analysis/quarterly-banking-profile/fdic-quarterly/2023-vol17-4/fdic-v17n4-3q2023.pdf>; “Report to the Congress on the Profitability of Credit Card Operations of Depository Institutions,” Board of Governors of the Federal Reserve System, July 2021, <https://www.federalreserve.gov/publications/files/ccprofit2021.pdf>.

⁷ Visa and Mastercard boast net profit margins of around 50%, compared to an S&P 500 average of 11%. See: “Can the Visa-Mastercard duopoly be broken?,” *The Economist*, Aug. 17, 2022, <https://www.economist.com/finance-and-economics/2022/08/17/can-the-visa-mastercard-duopoly-be-broken>; CSIMarket, “S&P 500 Profitability,” https://csimarket.com/Industry/industry_Profitability_Ratios.php?sp5.

⁸ Peter Horst and Robert Duboff, “Don’t Let Big Data Bury Your Brand,” *Harvard Business Review Magazine*, Nov. 2015, <https://hbr.org/2015/11/dont-let-big-data-bury-your-brand>.

⁹ Malcolm Wheatley, “Capital One Builds Entire Business on Savvy Use of IT,” *CIO*, Nov. 1, 2001, <https://www.cio.com/article/266326/business-alignment-capital-one-builds-entire-business-on-savvy-use-of-it.html>.

and is routinely recognized as a “game-changing technology” leader¹⁰ whose “unrelenting focus” on data analytics has underpinned “sector-leading growth.”¹¹

According to McKinsey, Capital One is one of the best-practice examples in the industry of “Customer Value Maximization,” able to tailor higher-yield products to tens of thousands of different customer segments.¹² Sifting through large data sets, the firm runs 80,000 data experiments per year, able to test different combinations of credit card features, including interest rates, payment options, and rewards, on different customer profiles to optimize profitability.¹³ This allows Capital One to identify lower-credit, higher-risk cardholders who are more likely to miss payments and revolve a balance.¹⁴ The interest charged to cardholders on their balances is the primary source of revenue for Capital One, at more than half of the firm’s total net revenue.¹⁵ Capital One is also an industry leader in pricing, with interest rates above 30% that maximize return on cardholder balances.¹⁶

Capital One’s data operations also enable it to be a dominant player in credit card lending to Americans with poor credit. In this higher-risk “subprime” segment, where banks lend to Americans with FICO scores below 660, the sophisticated use of data to minimize losses can make or break success. Despite being the fourth-largest credit card lender overall, Capital One is America’s largest subprime credit card lender, with a higher percentage of its total credit lending in the subprime segment compared to rivals like JPMorgan Chase, Citi, or Discover.

¹⁰ Martin Giles, “Capital One’s Digital Diaspora: How One Bank Became A Wellspring Of CIO Talent For Many Companies,” *Forbes*, May 7, 2021, <https://www.forbes.com/sites/martingiles/2021/05/07/capital-one-cio-digital-diaspora-and-it-talent/?sh=271ee984b1fa>.

¹¹ For example, from 2005 to 2013, despite a global recession, Capital One’s compound annual growth rate significantly outperformed those of the top three U.S. banks. See: Jerome Buvat and Subrahmanyam KVJ, “Doing Business The Digital Way: How Capital One Fundamentally Disrupted the Financial Services Industry,” Capgemini Consulting, 2014, https://www.capgemini.com/wp-content/uploads/2017/07/capital-one-doing-business-the-digital-way_0.pdf.

¹² Anna Fiorentino et al., “Driving Intelligent Growth With Customer Value Maximization: How banks should go beyond CRM,” McKinsey (EMEA Banking Practice), Dec. 2010, available at <https://silo.tips/download/driving-intelligent-growth-with-customer-value-maximization>.

¹³ Christopher Worley and Edward Lawler III, “Building a Change Capability at Capital One Financial,” *Organizational Dynamics*, Vol. 38, No. 4, 2009, https://ceo.usc.edu/wp-content/uploads/2018/03/12_Building_a_Chg_Capability.pdf.

¹⁴ “Capital One was one of the first card issuers to use big data decades ago to target individual customers, pioneering concepts like teaser offers and tailored interest rates, which helped it reel in and manage less-than-perfect borrowers.” See: Michelle F Davis, “Banks Are Handing Out Beefed-Up Credit Lines No One Asked For,” *Bloomberg*, Jan. 23, 2020, <https://www.bloomberg.com/news/articles/2020-01-23/banks-are-raising-credit-card-limits-without-asking-customers>.

¹⁵ In 2023, Capital One earned \$19.7 billion in net interest income from credit cards out of a total of \$36.8 billion in net revenue. See: Capital One Financial Corp, Form 10-K For the Year Ended December 31, 2023, SEC filing, Feb. 24, 2023, <https://ir.capitalone.gcs-web.com/static-files/994c8bec-608e-49d1-8ae2-a039bc43ba54>.

¹⁶ “Data spotlight: Credit card data: Small issuers offer lower rates,” CFPB, Feb. 16, 2024, <https://www.consumerfinance.gov/data-research/research-reports/credit-card-data-small-issuers-offer-lower-rates/>.

As a result, Capital One cardholders are more likely to revolve monthly balances.¹⁷ The firm exhibits higher default rates and 30-day delinquency rates than JPMorgan, Citi, Discover, or American Express,¹⁸ as well as the second-highest 30-to-89-day delinquency rate as a percentage of its total loans, behind only Discover.¹⁹

Transaction Strategy: “Scale” to “Grail”

While absorbing Discover represents an opportunity to bolster Capital One’s banking footprint and take the lead market position among U.S. credit card issuers, the heart of the transaction is the firm’s acquisition of the Discover payment network. “The Discover payment network positions Capital One as a more diversified, vertically integrated global payments platform,” said Capital One CEO Richard Fairbank during the firm’s call introducing the merger.²⁰ Accordingly, on that call, the word “issue” or “issuer” was mentioned 11 times; variations of the word “bank” or “banking” 39 times; and “network” was mentioned 110.²¹

Capital One aims to accomplish the following with this transaction:

Banking: Bigger Is Better

Capital One aims to become a bigger bank. Slide 17 of its investor presentation explains: “We will increase our scale to compete with the nation’s largest banks.”²² The transaction would do just that, making Capital One the sixth-largest U.S. bank by assets, at around \$625 billion.²³ Capital One would absorb Discover’s digital-first nationwide consumer banking business, adding \$84 billion in retail deposits to its existing \$346 billion in deposits, as well as its mortgages, personal loans, and other banking products.²⁴

Credit Cards: Scale Matters

¹⁷ Capital One is also an innovator further down the debt value chain, with a uniquely aggressive debt collection program. See: Paul Kiel, “At Capital One, Easy Credit and Abundant Lawsuits,” ProPublica, Dec. 28, 2015, <https://www.propublica.org/article/at-capital-one-easy-credit-and-abundant-lawsuits>; also see Paul Kiel and Jeff Ernsthausen, “Capital One and Other Debt Collectors Are Still Coming for Millions of Americans,” ProPublica, June 8, 2020, <https://www.propublica.org/article/capital-one-and-other-debt-collectors-are-still-coming-for-millions-of-americans>.

¹⁸ Ken Sweet, “Americans’ reliance on credit cards is the key to Capital One’s bid for Discover,” AP, Feb. 20, 2024, <https://apnews.com/article/capital-one-discover-american-debt-credit-cards-76598912b86a2dadc0c39ab3229f2fe9>.

¹⁹ “Bank Stocks, Charts & Data: 4Q23,” The Spread Site, Feb. 16, 2024, <https://www.thespreadsite.com/bank-stocks-charts-data-4q23/>.

²⁰ Transcript: Conference call held by Capital One Financial Corporation and Discover Financial Services on February 20, 2024, <https://www.sec.gov/Archives/edgar/data/927628/000119312524040125/d797639d425.htm>.

²¹ Id.

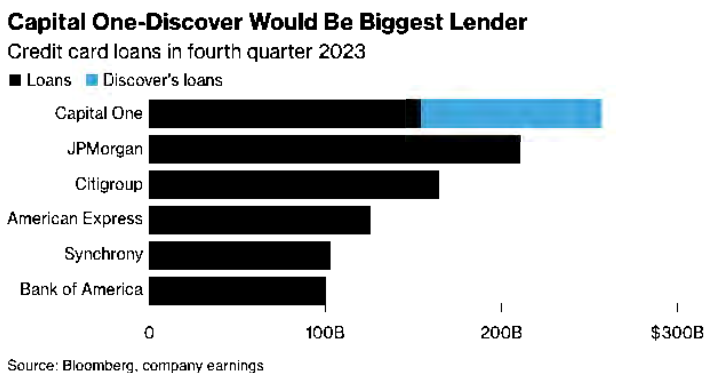
²² “Capital One Discover Investor Presentation,” Capital One, Feb. 20, 2024, <https://investor.capitalone.com/static-files/cfa11729-0aec-43dc-b531-200e250c8413>.

²³ “Insured U.S.-Chartered Commercial Banks,” Federal Reserve.

²⁴ Discover intends to divest its \$10 billion student loan business before the transaction closes. See: “Discover Financial explores sale of students loan portfolio,” Reuters, Nov. 29, 2023, <https://www.reuters.com/markets/deals/discover-financial-explores-sale-students-loan-portfolio-2023-11-29/>.

Capital One aims to become a bigger credit card issuer. The firm has determined that the credit card industry is driven by scale. “The reason there’s been more consolidation is just the underlying, just incredible power and physics of scale,” Fairbank said on the investor call, observing that the credit card industry is even “more scale-driven than a lot of other parts of banking” like commercial banking and small business lending, which “tend to be more fragmented across many banks.” Buying Discover’s credit card issuer business, he said, is “increasing our scale where it matters.”²⁵

Capital One’s acquisition would make the firm the largest U.S. credit card lender: By card balance, Capital One would own around 24% of all outstanding U.S. credit card loans, a total of around \$257 billion.²⁶ The deal would add 75 million Discover credit cards in circulation to Capital One’s substantial base of 106 million.²⁷ Through the Discover network, Capital One would be able to reach around 305 million cardholders worldwide.²⁸



Source: [Bloomberg](#)

Payment Networks: The Holy Grail

Networks aren’t just valuable — they’re rare.²⁹ “We all kind of revel in the fact that a network is a very, very rare asset,” Fairbank said, adding, “There are very few of them. I don’t think people are going to be building any of these anytime soon because it’s such a chicken-and-egg problem to ever get one started.” As he acknowledged, networks are rare because they are hard to start, but once they are

²⁵ Transcript, Capital One Conference Call.

²⁶ “Initial Thoughts on Potential COF/DFS Deal,” Piper Sandler, Feb. 19, 2024.

²⁷ Jack Caporal, “Credit and Debit Card Market Share by Network and Issuer,” Motley Fool, Jan. 24, 2024, <https://www.fool.com/the-ascent/research/credit-debit-card-market-share-network-issuer/>; Becky Pokora, “Credit Card Statistics And Trends 2024,” Forbes, March 9, 2023, <https://www.forbes.com/advisor/credit-cards/credit-card-statistics/>.

²⁸ “Our Unique Network,” Discover, <https://www.discoverglobalnetwork.com/our-network/our-unique-network/>.

²⁹ The Discover network itself is also a rewarding asset, generating “significant revenue” via interchange and network fees — around \$1.78 billion in 2023 — and offering a revenue stream that carries no asset or credit risk. See: Discover Financial Services, Form 10-K For the Year Ended December 31, 2023, SEC filing, Feb. 23, 2024, p. 86, <https://investorrelations.discover.com/investor-relations/financials/sec-filings/sec-filings-details/default.aspx?FilingId=17303754>.

operational, their scale and size of user base is their value, a phenomenon known as the network effect. “There’s a reason it’s called a network,” Fairbank said. “Because it has network effects associated with it.”³⁰

For Capital One, the Discover network is the crux of the acquisition. Acquiring a payment network strengthens its market position in banking among credit card issuers, saving costs by eliminating reliance on Visa and Mastercard’s high-priced payment networks. Owning networks in both credit and debit payment ecosystems also allows Capital One to go from being a toll-payer on the payment network highway to a toll-collector. While Capital One’s estimated \$1.2 billion yearly of “network synergy opportunities” assumes its network pricing stays static, the transaction unlocks compelling opportunities to flex network pricing power to increase revenue.³¹

Becoming an issuer-network enables Capital One to circumvent the 2010 Dodd-Frank Act’s Durbin Amendment, a law designed to moderate the transaction costs associated with debit cards for businesses. The law caps the debit card interchange prices set by networks and requires debit card issuers to offer multiple competing networks on their cards to incentivize price competition.³²

Avoiding the Durbin Amendment is a core part of the transaction: Discover’s PULSE debit network has a higher purchase volume than its credit counterpart,³³ and “the significant majority of the modeled network synergies are on the debit side,” according to Capital One’s Fairbank, who emphasized that the Durbin debit rules “explicitly exclude networks like Discover and American Express.”³⁴ Accordingly, Capital One plans to move its entire debit card business from the Mastercard network to the Discover network almost immediately.³⁵ Compounded by its expanded retail bank account portfolio, Capital One would enjoy heightened debit

³⁰ Transcript, Capital One Conference Call.

³¹ “Investor Presentation,” Capital One.

³² The Durbin Amendment loophole is a product not of the bill itself but of the Federal Reserve’s implementation of the rule. The Fed specifically exempted vertically integrated “three-party systems,” leaving out card issuers that are also payment networks, including American Express and Discover. So-called “three-party systems” lack an explicitly designated interchange fee for regulators to regulate — since the issuer and network are owned by the same firm, the payment network does not charge the issuer (itself) a transaction fee. See: Darryl E. Getter, “Regulation of Debit Interchange Fees,” Congressional Research Service, May 16, 2017, <https://sgp.fas.org/crs/misc/R41913.pdf>; Letter from Anne Segal, American Express Managing Counsel, to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, Feb. 22, 2011, https://www.federalreserve.gov/SECRS/2011/March/20110303/R-1404/R-1404_022211_67230_584162046602_1.pdf.

³³ In 2023, Discover’s PULSE debit network processed \$285 billion in transaction volume against the Discover credit network’s \$224 billion. See: Discover, Form 10-K, p. 57.

³⁴ Transcript, Capital One Conference Call.

³⁵ “Within the first few years, we will move our entire debit business and a portion of our credit card business to Discover,” Fairbank said, adding later, “That is the place to make [...] a significant move with all of our debit business.” Id.

network pricing power – giving it an “unfair advantage” over its rivals, according to JPMorgan Chase CEO Jamie Dimon.³⁶

In contrast with its clearly stated desire to shift its entire debit volume from Mastercard to Discover’s debit network, Capital One is more opaque about its plans for credit. The firm says it aims to, “over time,” convert “a growing portion” of “selected Capital One credit portfolios” to the Discover network.³⁷ Of its stated goal to move \$175 billion in additional spending volume to the Discover network by the year 2027, it is unclear what portion Capital One projects as credit card spending.

³⁶ Hugh Son, “Jamie Dimon on Capital One’s \$35.3 billion Discover acquisition: ‘Let them compete,’” CNBC, Feb. 26, 2024, <https://www.cnbc.com/2024/02/26/jamie-dimon-on-capital-one-discover-deal-let-them-compete.html>.

Part II: Merger Environment and Regulatory Risk

This transaction must pass a merger review process mandated by the Bank Merger Act and Bank Holding Company Act, which will be carried out by regulators at the OCC and Federal Reserve. Bank merger review involves a multi-factor assessment of the transaction's effect on competition, risks to financial stability, and impact on the public interest, as well as a review of the condition of the banks' finances, management, and future prospects, and the banks' record combating money laundering.³⁸

The Justice Department Antitrust Division is also involved in the banking agencies' review. The banking statutes require the Division to provide a "competitive factors report" to the banking agencies with its evaluation of the merger's effect on competition. The Justice Department also retains the authority to sue to block mergers approved by bank regulators, doing so most famously in *United States v. Philadelphia National Bank*.³⁹

Running the Gauntlet: Regulatory and Political Environment

The transaction faces a challenging regulatory environment. Capital One appears to have designed the deal accordingly: A \$1.38 billion breakup fee applies in the event of a rival bid emerging but will not be owed if regulators block the deal, suggesting the firm may have less confidence in consummating the deal than it has projected publicly.⁴⁰

The Biden administration has ratcheted up U.S. antitrust enforcement, and banking has been no exception. Responding to what was deemed an "increasingly permissive" environment for bank mergers,⁴¹ a July 2021 presidential executive order on competition aimed to tighten merger policy in the sector, tasking bank regulators at the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) with strengthening bank merger oversight to "guard against excessive market power."⁴² Under Assistant Attorney General Jonathan Kanter, the Justice

³⁸ 12 U.S. Code § 1828.

³⁹ In *United States v. Philadelphia National Bank*, the Supreme Court held that banking was indeed "commerce" and thus subject to the Sherman and Clayton acts. This was later codified by Congress with an amendment to the Bank Merger Act in 1966. See: *United States v. Philadelphia Nat'l Bank*, 374 U.S. 321 (1963); Bank Merger Act Amendments of 1966, Pub. L. 89-356, 80 Stat. 7 codified as amended at 12 U.S.C. 1828(c)(2018)).

⁴⁰ Hugh Son, "Capital One's acquisition has \$1.4 billion breakup fee if rival bid emerges, but none if regulators kill deal," CNBC, Feb. 22, 2024, <https://www.cnbc.com/2024/02/22/capital-one-discover-acquisition-has-1point4-billion-breakup-fee-for-another-buyer.html>.

⁴¹ Across all bank mergers of all sizes, the last merger denied by bank regulators was Illini Corporation's attempted acquisition of Illinois Community Bank, in 2002. See: "Order Denying the Acquisition of a Bank Holding Company," Federal Reserve, Dec. 23, 2002, <https://www.federalreserve.gov/boarddocs/press/orders/2002/20021223/attachment.pdf>; see also: Jeremy Kress, "Modernizing Bank Merger Review," Yale Journal on Regulation 435, Aug. 2020, <https://ssrn.com/abstract=3440914>.

⁴² Executive Order 14036 of July 9, 2021, "Promoting Competition in the American Economy," 86 FR 36987, <https://www.federalregister.gov/documents/2021/07/14/2021-15069/promoting-competition-in-the-american-economy>.

Department Antitrust Division has rejected prior divestiture-focused approaches in the sector and signaled a return to its statutory role as an antitrust enforcer in banking.⁴³

Beyond the Antitrust Division's standing authority in bank mergers, the Justice Department has traditionally enforced antitrust law in payment systems, notably suing to block Visa's acquisition of payments platform Plaid in 2021.⁴⁴ The platform and network elements of Capital One's acquisition of Discover, coupled with the Division's renewed focus on bank competition, likely forecast heavy Antitrust Division involvement in the merger review process.

The banking sector and its regulators are also under heightened political scrutiny after a series of regional bank failures in 2023 raised financial stability concerns, exposed flaws in bank supervisory programs, and led to government-assisted emergency acquisitions that deepened critics' concerns about industry consolidation.⁴⁵

In January 2024, the OCC released a policy statement intended to increase the transparency of its merger review process, outlining the principles the agency uses in each element of its Bank Merger Act review.⁴⁶ The policy statement identified 13 indicators, all of which are generally featured by merger applications eligible for approval. Of these, Capital One's acquisition of Discover may conflict with five, each discussed below, apart from indicator 12, whose "no significant legal or policy issue" indicator may be infringed by the transaction's interaction with the Durbin Amendment.⁴⁷

The transaction is also highly politicized. In February, Senator Elizabeth Warren and a dozen other Democratic lawmakers urged the Federal Reserve and OCC to block it, calling the deal's regulatory review in a letter "one of the most important tests of [the Biden administration's] efforts to prevent harmful bank consolidation."⁴⁸ In a separate letter, Representative Maxine Waters and 15 Democrats identified "myriad issues" with the deal,

⁴³ Josh Sisco and Victoria Guida, "DOJ to expand scrutiny of bank mergers," Politico, June 20, 2023, <https://www.politico.com/news/2023/06/20/doj-bank-mergers-00102635>.

⁴⁴ "Visa and Plaid Abandon Merger After Antitrust Division's Suit to Block," U.S. Justice Department, Press Release, Jan. 12, 2021, <https://www.justice.gov/opa/pr/visa-and-plaid-abandon-merger-after-antitrust-division-s-suit-block>.

⁴⁵ Letter from Sen. Elizabeth Warren to FDIC Chair Gruenberg and OCC Acting Comptroller Hsu, May 17, 2023, <https://www.warren.senate.gov/imo/media/doc/2023.05.17%20Letter%20to%20FDIC%20and%20OCC%20re%20F%20irst%20Republic%20JPMorgan%20Deal.pdf>.

⁴⁶ "Business Combinations under the Bank Merger Act," OCC, Notice of Proposed Rulemaking, 12 CFR Part 5, Docket ID OCC-2023-0017, Jan. 29, 2024, <https://www.ots.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-7a.pdf>.

⁴⁷ According to a former OCC counsel discussing the "significant policy issue" indicator, "OCC may decide that approving a \$600 billion + Durbin-exempt institution is not good policy." See: Michele Alt, "Will the regulators put the kibosh on a \$600 billion+ deal that could create a competitive alternative to the Visa/MC payment rails?" LinkedIn, Feb. 20, 2024, https://www.linkedin.com/posts/michele-alt-42baaa50_will-the-regulators-put-the-kibosh-on-a-600-activity-7165834722609225728-vrQy/.

⁴⁸ Letter from Sen. Elizabeth Warren to FDIC Chair Gruenberg and OCC Acting Comptroller Hsu, Feb. 25, 2024, <https://www.warren.senate.gov/imo/media/doc/2024.02.25%20Capital%20One%20Letter1.pdf>.

calling for a revamp of bank regulators' merger review policy.⁴⁹ And in a letter to the Justice Department, Republican Senator Josh Hawley urged antitrust enforcers to challenge the deal, calling it “destructive corporate consolidation.”⁵⁰

Does This Acquisition Violate Antitrust Laws?

In 2023, the Justice Department, along with the Federal Trade Commission, released a document outlining how the agency enforces antitrust law when reviewing mergers and acquisitions across the economy.⁵¹ The 2023 merger guidelines will shape how the Justice Department composes its competitive factors report to the Federal Reserve and OCC as part of the Bank Merger Act review process, as well as any possible legal challenge to a banking agency-approved transaction.

Capital One's acquisition is likely to draw scrutiny across several guidelines. The transaction takes place in concentrated markets (Guideline 1), which may be “trending towards consolidation” (Guideline 7). The acquisition may threaten to eliminate substantial competition between firms (Guideline 2), and it involves a multi-sided platform whose control may entrench the acquiring firm's market power in an adjacent market position (Guideline 9). The guidelines also note that antitrust enforcers “have in the past encountered mergers that lessen competition through mechanisms not covered” in each guideline, offering as an example, “[a] merger that would enable firms to avoid a regulatory constraint because that constraint was applicable to only one of the merging firms.”⁵² Capital One's stated intent to acquire Discover's Durbin debit rule exemption will likely be scrutinized along these lines.

Market Concentration and Trends Toward Consolidation

Per Guideline 1, mergers that “significantly increase concentration in a highly concentrated market” are “presumptively illegal” because creating or further consolidating a highly concentrated market “may substantially lessen competition,” in violation of Section 7 of the Clayton Act.⁵³ A market's “trend towards consolidation,” as outlined by Guideline 7, is also a relevant factor in determining a merger's effects on competition.

Each of the three markets implicated in the transaction is particularly concentrated:

Banking: The U.S. banking sector is undergoing both long-term and contemporary trends towards consolidation. Today, the largest six banks control more assets than

⁴⁹ Letter from Rep. Maxine Waters to Regulators, Feb. 28, 2024, https://democrats-financialservices.house.gov/uploadedfiles/02_28_-_ltr_on_ibmr.pdf.

⁵⁰ Letter from Sen. Josh Hawley to Assistant Attorney General Kanter, Feb. 21, 2024, <https://www.hawley.senate.gov/sites/default/files/2024-02/Hawley-Letter-to-Kanter-re-Capital-One-Discover-Merger.pdf>.

⁵¹ “2023 Merger Guidelines,” U.S. Department of Justice and U.S. Federal Trade Commission, Dec. 18, 2023, <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf>.

⁵² Id.

⁵³ Id.

all others combined (\$13.6 trillion),⁵⁴ while the share of the nation's bank deposits held by the largest financial institutions has increased. Since 1995, when the largest four banks controlled under 10% of the nation's deposits, their share has quadrupled, with the four biggest banks owning 36% of U.S. deposits in 2020.⁵⁵ The share of total assets held by smaller banks with total assets under \$1 billion has decreased from 25% in 1994 to 6% in 2019.⁵⁶

Banking is also experiencing a more recent trend towards consolidation, outlined by Guideline 7 as a relevant factor in determining a merger's effects on competition.⁵⁷ After Dodd-Frank rollbacks in 2018, a series of high-profile mergers between large banks took place. Through 2020 and 2021, U.S. Bank and Union Bank merged to become the fifth-largest bank, as did SunTrust and BB&T, PNC and BBVA, BMO and Bank of the West, M&T-People's United, Huntington-TCF, and First Citizens-CIT, creating the sixth, seventh, 15th, 17th, 25th, and 38th largest U.S. banks respectively.⁵⁸

Credit Card Issuers: The credit card market is similarly consolidated. In 2007, the former general counsel of Citigroup's U.S. credit card businesses described the industry as "a cartel."⁵⁹ Ten of the largest 4,000 banks that issue credit cards control 83% of credit card lending, with the five largest issuers owning two thirds of all outstanding balances.⁶⁰ Regulators have "high levels of concentration" in the consumer credit card market and "evidence of practices that inhibit consumers' ability to find alternatives to expensive credit card products."⁶¹

Consolidation has led to high interest rates and fees. Consumer Financial Protection Bureau (CFPB) research found that larger credit card issuers charge Americans significantly higher interest rates — as much as eight to 10 APR points higher — than smaller issuers, hitting record-high APR margins in 2023.⁶² In total, Americans paid

⁵⁴ Large Holding Companies, Federal Reserve Data, 2022, <https://www.ffiec.gov/npw/Institution/TopHoldings>.

⁵⁵ Naeem, "Revitalizing Bank Merger Enforcement."

⁵⁶ Id.

⁵⁷ "2023 Merger Guidelines," DOJ & FTC.

⁵⁸ Kevin Wack, "The biggest bank M&A deals of the last decade," American Banker, March 16, 2022, <https://www.americanbanker.com/list/the-biggest-bank-m-a-deals-of-the-last-decade>.

⁵⁹ Written Testimony of Arthur E. Wilmarth, Jr., "Hearing On Credit Card Practices: Current Consumer And Regulatory Issues," House Financial Services Committee Subcommittee On Financial Institutions And Consumer Credit, April 27, 2007, <https://www.law.gwu.edu/sites/g/files/zaxdzs5421/files/downloads/WilmarthTestimonyonCreditCardIndustry4.26.07.pdf>; Duncan A. MacDonald, "Viewpoint: Card Industry Questions Congress Needs to Ask," American Banker, March 23, 2007.

⁶⁰ Poonkulali Thangavelu, "Credit card market share statistics," Bankrate, July 6, 2023, <https://www.bankrate.com/finance/credit-cards/credit-card-market-share-statistics/#balance>; "The Consumer Credit Card Market," Consumer Financial Protection Bureau, October 2023, https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2023.pdf.

⁶¹ Dan Martinez and Margaret Seikel, "Credit card interest rate margins at all-time high," CFPB, Feb. 22, 2024, <https://www.consumerfinance.gov/about-us/blog/credit-card-interest-rate-margins-at-all-time-high/>.

⁶² "CFPB Report Finds Large Banks Charge Higher Credit Card Interest Rates than Small Banks and Credit Unions," CFPB, Feb. 16, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-finds-large-banks-charge-higher-credit-card-interest-rates-than-small-banks-and-credit-unions/>.

issuers a record \$130 billion in fees and interest in 2022.⁶³ The credit card issuing market has also trended toward consolidation: The share of total credit card loans held by the top 10 issuers has more than doubled, from 40% in 1988 to today, resulting in a market characterized by “economies of scale that favor large issuers.”⁶⁴

Payment Networks: Payment networks are perhaps the most consolidated of the deal’s relevant markets. “Can the Visa-Mastercard duopoly be broken?” asked a 2022 headline published by free-market champion *The Economist*, highlighting the firms’ combined 80% market share and the U.S.’s “heftiest interchange fees of any major economy.”⁶⁵ “Visa-Mastercard payments duopoly has staying power,” a 2021 Reuters headline affirmed, observing that despite the rise of new financial technologies, “the duopoly is stronger than it appears.”⁶⁶ A 2023 Barron’s feature underscored lack of competition in the market, noting that Visa’s and Mastercard’s “fat profit margins of 52% and 44%, respectively, are maintained because the merchants that pay the fees have little choice,” remarking that investors “love the stocks,” because of “the companies’ seemingly unbreakable stranglehold on electronic payments at the register.”⁶⁷

The rest of the market is represented by American Express and Discover, whose market shares represent around 20% and 4% respectively.⁶⁸

Pricing

Antitrust enforcers will also evaluate whether the transaction will give Capital One the ability and incentive to raise prices in any of the related markets.

Banking: Enforcers are likely to be aware of empirical and historical evidence outlining how mergers increase banks’ incentive and ability to raise costs of credit for consumers and businesses, increase fees, and lower interest rates paid to depositors.⁶⁹

⁶³ “CFPB Report Finds Large Banks Charge Higher Credit Card Interest Rates than Small Banks and Credit Unions,” CFPB, Feb. 16, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-finds-large-banks-charge-higher-credit-card-interest-rates-than-small-banks-and-credit-unions/>; “CFPB Report Finds Credit Card Companies Charged Consumers Record-High \$130 Billion in Interest and Fees in 2022,” CFPB, Oct. 25, 2023, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-finds-credit-card-companies-charged-consumers-record-high-130-billion-in-interest-and-fees-in-2022/>.

⁶⁴ Wilmarth, Jr., Testimony, “Hearing on Credit Card Practices.”

⁶⁵ “Can the Visa-Mastercard duopoly be broken?,” *The Economist*, Aug. 17, 2022, <https://www.economist.com/finance-and-economics/2022/08/17/can-the-visa-mastercard-duopoly-be-broken>.

⁶⁶ The feature also noted that despite a “trifecta of threats” from Congress, cryptocurrencies, and financial-technology companies, thoughts of Visa and Mastercard’s “impending doom” were unrealistic: “their position remains strong.” See: Joe Light, “Visa and Mastercard Are Under Attack. They Will Do Just Fine.” Barron’s, Aug. 16, 2023, <https://www.barrons.com/articles/visa-mastercard-are-under-attack-they-will-do-just-fine-7d2e67ce>.

⁶⁷ See: Joe Light, “Visa and Mastercard Are Under Attack. They Will Do Just Fine.” Barron’s, Aug. 16, 2023, <https://www.barrons.com/articles/visa-mastercard-are-under-attack-they-will-do-just-fine-7d2e67ce>.

⁶⁸ Caporal, “Credit and Debit Card Market Share.”

⁶⁹ Kress, “Modernizing Bank Merger Review.”

Credit Card Issuers: Analysis of card pricing data shows that today Capital One exerts higher interest rate pricing power than Discover within the same FICO score ranges. For cards in the “Good Credit” FICO score range of 620–719, Capital One charges three APR percentage points higher than Discover, while for “Great Credit” (FICO 720 or above), the firm charges four APR percentage points more.⁷⁰ If Capital One were to raise Discover APRs offered to new account holders to match its own, consumers in the market would lose access to lower-APR cards; similarly, if the firm repriced existing Discover cardholder rates to match its own, prices for existing Discover cardholders would rise.

Payment Networks: Capital One’s acquisition of the Discover network is likely to be an area of interest for enforcers examining the combined firm’s pricing power. In combining its credit card business with Discover’s network, Capital One will gain the ability and incentive to raise interchange fees for merchants, who are likely to lack any real ability to turn away the nation’s largest issuer. The current dynamics of interchange fees discourage price competition, sustaining long-term increases in fees despite lower costs for networks over time. American Express, the only other vertically integrated issuer-network, charges merchants the industry’s highest interchange fees to access its customer base.⁷¹ Visa and Mastercard use their market position to raise interchange fees regularly, most recently in August 2023.⁷² In 2012, U.S. businesses paid \$32.73 billion in interchange fees, representing 1.4% of total U.S. credit card spending volume; in 2021, businesses paid \$93.2 billion, or 2% of total credit volume.⁷³

Discover’s debit networks may raise pricing power concerns, particularly given the network’s exemption from both interchange fee caps and routing requirements. Like its credit network acquisition, its status as a major issuer and owner of a debit network may give the firm the ability and incentive to raise interchange fee costs. One financial services analyst estimated that Capital One could exercise its ability to hike debit interchange fees to increase earnings by \$800 million yearly, a cost that would be borne by American business and consumers.⁷⁴

Head-to-Head Competition

⁷⁰ “Terms of Credit Card Plans TCCP) Survey, Data Download: Jan. 1 – June 30, 2023,” CFPB, <https://www.consumerfinance.gov/data-research/credit-card-data/terms-credit-card-plans-survey/>.

⁷¹ Dan Ennis, “American Express catches up to Visa, Mastercard in acceptance,” Retail Dive, Jan 28, 2020, <https://www.retaildive.com/news/american-express-catches-up-to-visa-mastercard-in-acceptance/571168/>.

⁷² Angel Au-Yeung, “Visa, Mastercard Prepare to Raise Credit-Card Fees,” The Wall Street Journal, Aug 30, 2023, <https://www.wsj.com/finance/visa-mastercard-prepare-to-raise-credit-card-fees-ed779be1>.

⁷³ According to Nilson Report data, in 2012 businesses paid \$32.73 billion in interchange fees against a total of \$2.26 trillion in U.S. credit card spending, this compares to 2021, where businesses paid \$93.2 billion in fees on \$4.6 trillion of spending. See: Au-Yeung, “Visa, Mastercard Prepare to Raise Credit-Card Fees;” also see: “Value of credit card transactions for payments in the United States from 2012 to 2021,” Statista, Jan 2023, <https://www.statista.com/statistics/568554/credit-debit-card-transaction-value-usa/>.

⁷⁴ “By shifting its debit volume to Discover’s network, Capital One can charge merchants higher fees, which could lead to around \$800 million of pre-tax earnings upside based on estimated debit volumes of \$90 billion.” See: Marc Rubenstein, “The Third Network,” Net Interest, Feb 23, 2024, <https://www.netinterest.co/p/the-third-network>.

Antitrust enforcers will also examine head-to-head competition between Capital One and Discover in relevant markets. Because a merger between competitors necessarily eliminates competition, “If evidence demonstrates substantial competition between the merging parties prior to the merger, that ordinarily suggests that the merger may substantially lessen competition.”⁷⁵

Enforcers are also likely to examine competition in submarkets.⁷⁶ The expansion of Capital One’s leading position in subprime credit card lending (identified by cardholder FICO scores below 660) by adding Discover’s portfolio in the same category may draw scrutiny. Capital One has shown the ability to more profitably underwrite the higher-risk segment at a greater percentage of its total card loans issued than rivals: 32% of its credit card lending is in the subprime segment, a higher proportion than rivals like JPMorgan Chase (14%), Citigroup (20%), or Discover (20%).⁷⁷

With the addition of Discover’s \$20 billion in subprime card loans, Capital One would more than double those of JPMorgan Chase (\$30 billion) and Citigroup (\$33 billion), the next-largest major bank subprime lenders.⁷⁸ Preliminary analysis of regulatory filings suggests the deal could increase the Herfindahl-Hirschman Index (HHI, a measure of market concentration used by antitrust enforcers) of the subprime credit card market to levels that would classify the transaction as presumptively illegal under current enforcement standards.⁷⁹

Capital One and Discover also compete outside the subprime card loan segment. While the former has drawn attention for its presence in subprime card lending, both do the majority of their lending above the 660 FICO score threshold, territory that covers cardholders with near-prime, prime, and super-prime credit.⁸⁰ According to several industry analysts, advancing Capital One’s strong share in the near-prime segment – a segment it has “historically specialized in,” characterized by profitable balance revolvers – could draw regulatory scrutiny.⁸¹

⁷⁵ “2023 Merger Guidelines,” DOJ & FTC.

⁷⁶ In its successful challenge to JetBlue’s acquisition of Spirit Airlines, the Justice Department argued that merger would eliminate Spirit’s “ultra-low cost” model, removing choice for budget-conscious consumers and raising prices kept in check by a lower-price competitor. See *United States v. JetBlue Airways Corp.*, No. 23-10511, Findings of Fact and Conclusions of Law Dkt. 461), at 101-105 (D. Mass. Jan. 16, 2024).

⁷⁷ Annual filings for JPMorgan show \$29.5 billion in subprime card loans, around 14% of its card lending; Citi, \$33.6 billion subprime at 20% of card lending (note that Citi reports subprime as FICO below 680 ; Capital One at \$47 billion and 32% respectively; and Discover at \$20 billion and 20% respectively. See: JPMorgan Chase & Co., Form 10-K For the fiscal year ended December 31, 2023, SEC, p. 247, <https://jpmorganchaseco.gcs-web.com/static-files/65230b3c-57f5-4e9e-9d68-e4a51a418ed4>; Citigroup Inc., Form 10-K For the fiscal year ended December 31, 2023, SEC, p. 219, <https://www.citigroup.com/irs/citigpa/storage/public/10k20231231.pdf>; Capital One, Form 10-K, p. 66; Discover, Form 10-K, p. 102.

⁷⁸ *Id.*

⁷⁹ Jeremy Kress (@Jeremy_Kress), tweet posted Feb. 26, 2024, https://x.com/Jeremy_Kress/status/1762576947761279089?s=20.

⁸⁰ Eighty percent of Discover’s credit card lending is to cardholders with FICO scores above 660, while for Capital One that number is 68%. See: Capital One, Form 10-K; Discover, Form 10-K.

⁸¹ Wayne Duggan, “What Investors Should Know About the Capital One-Discover Deal,” US News, Feb. 21, 2024, <https://money.usnews.com/investing/articles/what-investors-should-know-about-the-capital-one-discover-deal>; Liz

Firm data on segment-specific lending market share is proprietary but will be accessed by enforcers in a merger case. However, an analysis of Mintel marketing data suggests that Capital One and Discover compete for the same customers. For example, Capital One and Discover are the only two major banks competing for near-prime credit customers via a major customer acquisition channel: direct mail marketing.⁸² But Capital One and Discover are also two of the top four banks targeting prime credit customers by total direct mail volume, and both firms target subprime, near-prime, and prime customers at a higher share of their direct mail offers than No. 1 issuer JPMorgan Chase, suggesting they compete closely across FICO bands.⁸³

Beyond market share, enforcers may also use analysis of existing competition between the merging firms to demonstrate that a deal is anti-competitive. Whether Capital One and Discover monitor each other's products, pricing, marketing, or innovation plans – and whether they react to each other by changing their own products or services – can provide evidence of competition between the merging firms, as well as whether customers are willing to switch between the rival firms' products.⁸⁴

“Merge to Compete” in Payment Networks

Capital One has framed its acquisition as a transaction that will increase competition in the payments industry. This position may struggle under scrutiny if regulators or courts find either a lack of supporting evidence or that legal precedent negates its relevance.

First, a merger's alleged pro-competitive benefits are often legally irrelevant: As acknowledged in 2023 by federal Judge William Young in his ruling in favor of the Justice Department's challenge to JetBlue's acquisition of Spirit Airlines, the merge-to-competitiveness argument or so-called “efficiencies defense” contravenes Supreme Court precedent and cannot be used as justification for an otherwise illegal merger.⁸⁵

Second, enforcers and courts may find the factual basis of the deal's pro-competitive benefits unconvincing:

Discover's Static Market Share: Discover has been unable to increase its payment network market share over time. In 2022, Discover, the smallest of the four payment networks, processed \$211 billion in card transactions, giving it around a 2% market share by total card transaction volume, behind American Express (11%), Mastercard

Kiesche, “Analysts dig into the \$35B Capital One/Discover Financial deal,” Seeking Alpha, Feb. 20, 2024, <https://seekingalpha.com/news/4069115-analysts-dig-into-the-capital-onediscover-financial-35b-deal>; Claire Williams and Polo Rocha, “The Capital One-Discover deal raises thorny issues for Washington,” American Banker, Feb. 20, 2024, <https://www.americanbanker.com/news/the-capital-one-discover-deal-raises-thorny-issues-for-washington>.

⁸² Elena Botella, “A Capital One - Discover Merger Could Raise Card Interest Rates,” Forbes, Mar 16 2024, <https://www.forbes.com/sites/elenabotella/2024/03/16/a-capital-onediscover-merger-could-raise-card-interest-rates>

⁸³ Id.

⁸⁴ “2023 Merger Guidelines,” DOJ & FTC.

⁸⁵ United States v. JetBlue Airways Corp., No. 23-10511, Findings of Fact and Conclusions of Law (Dkt. 461 , at 101–105 (D. Mass. Jan. 16, 2024).

(25%), and Visa (60%).⁸⁶ In 2008, Discover's market share by transaction volume stood at about 3%, with American Express at 14% and the remaining 83% Visa and Mastercard.⁸⁷ In order for Discover's market share to increase, the merger would have to add significant purchase volume or somehow retool Discover's methods of competition in a way it has not previously managed.

Unclear Path Toward Competition: Capital One has provided no insight into how it will make the Discover network a viable payments network competitor, either by adding competitively significant purchase volume or retooling Discover's methods of competition to gain market share. The current information landscape suggests both are unlikely.

Capital One believes an "injection of volume and investment in the network will help Discover be competitive with the leading networks."⁸⁸ But at a March 2024 conference, a senior executive said the firm will shift a "relatively small portion" of credit volume to the Discover network within three years, part of a long-term process that will happen in "small steps."⁸⁹ This suggests the firm does not intend to significantly increase credit volume for some time. In fact, Capital One's hesitancy toward increasing Discover network credit volume has convinced some analysts it may not plan to. In a Bloomberg TV appearance, one KBW analyst projected that the merged firm is "probably going to keep a substantial amount of their credit card volumes still on the Visa and Mastercard networks."⁹⁰

Even if Capital One met its \$175 billion goal of added purchase volume to the Discover network solely via credit transactions – for example, by migrating Visa/Mastercard-networked credit cards – the shift would cut into the Visa-Mastercard market share just .033%, or one-third of 1%.⁹¹ In a research note to clients, one investment bank analyst projected that by 2027, the transaction will eat into Mastercard's revenue by about \$636 million annually, equivalent to a 2% drop in revenue, while Visa would lose around \$134 million annually, a decline of less than 1%.⁹²

⁸⁶ "Value of card transactions with Visa, Mastercard, American Express, Discover in the United States from 2010 to 2022," Statista, Feb. 2023, <https://www.statista.com/statistics/678109/purchase-volume-payment-cards-usa-by-type/>; Caporal, "Credit and Debit Card Market Share."

⁸⁷ Id.; Hearing, California Assembly Banking Finance Committee, Jan. 25, 2010, https://abnk.assembly.ca.gov/sites/abnk.assembly.ca.gov/files/hearings/01_25_10_The_Evolution_of_InterchangeFeesreport.pdf.

⁸⁸ Transcript, Capital One Conference Call.

⁸⁹ Caitlin Mullen, "Capital One angles to push Discover upmarket," Payments Dive, March 7, 2024, <https://www.paymentsdive.com/news/capital-one-discover-upmarket-card-network-acquisition-credit-debit-acceptance/709592/>.

⁹⁰ Sanjay Sakhrani, Interview on BNN Bloomberg, Feb. 20, 2024, <https://www.bnnbloomberg.ca/video/it-makes-a-lot-of-sense-for-capital-one-to-buy-discover-financial-analyst~2870490>.

⁹¹ Caporal, "Credit and Debit Card Market Share."

⁹² Lynne Marek, "Mastercard to be dinged by Discover deal," Payments Dive, Feb. 21, 2024, <https://www.paymentsdive.com/news/mastercard-visa-discover-acquisition-bank-card-network/708060/>.

Beyond the numbers, a viable path toward adding meaningful Discover network volume to increase competition among networks is unclear. Discover cards are already accepted at 99% of U.S. merchants that take credit cards, leaving little room to add volume by increasing merchant acceptance domestically.⁹³ And almost all cards on the Discover network are issued by Discover, leaving little room to further saturate its own network.

Likewise, Capital One has outlined no plans to open the Discover network to other issuers or to otherwise increase the number of issuing banks on its network, either of which could increase network purchase volume and could lead to an increase in its market share. Increasing transaction volume abroad could be an option – Capital One raised the possibility on its investor call – but many overseas payments network markets limit interchange fees well below U.S. rates, making it a costly project. Regardless, U.S. antitrust enforcers will not use a merger’s alleged pro-competitive effects abroad to justify consolidation at home.

Multi-Sided Platforms

Even if Capital One is able to persuasively show that it will expand Discover’s market share in payment networks, enforcers’ analysis will be attuned to how Discover’s network impacts competition in the transaction’s relevant markets. As stated in the 2023 Merger Guidelines, mergers involving “multi-sided platforms ... can threaten competition, even when a platform merges with a firm that is neither a direct competitor nor in a traditional vertical relationship with the platform.”⁹⁴

Antitrust Division head Assistant Attorney General Jonathan Kanter recently highlighted platform transactions as a point of emphasis for the Justice Department in merger review. Platforms “often defy simple horizontal competition and vertical distribution relationships,” he wrote in a July 2023 *Journal of Antitrust Enforcement* article, both “heighten[ing] the risk that a platform can entrench its power” and enabling platform owners to use their positions “to pick winners and losers in adjacent markets.”⁹⁵

Bank Merger Act Review

Does This Acquisition Violate Federal Bank Merger Laws?

Regulators at the Federal Reserve and OCC are required to review transactions for approval using the framework set forth in the Bank Merger Act and the Bank Holding Company Act. Beyond the transaction’s effect on competition, they will evaluate its risks to financial stability and impact on the public interest, as well as review the condition of the bank’s finances, management, and future prospects, and the banks’ record combating money

⁹³ “Where are Discover Credit Cards Accepted?,” Discover, Nov. 26, 2023, <https://www.discover.com/credit-cards/card-smarts/discover-cards-acceptance/>.

⁹⁴ “2023 Merger Guidelines,” DOJ & FTC.

⁹⁵ Jonathan Kanter, “Digital Markets and ‘Trends Towards Concentration,’” *Journal of Antitrust Enforcement*, Volume 11, Issue 2, July 2023, 143–148, <https://doi.org/10.1093/jaenfo/jnad030>.

laundering. Capital One’s acquisition of Discover may draw scrutiny across each of the five components of statutory review.

1. Financial Stability and Systemic Risk

After the 2008 financial crisis, Congress amended the federal bank merger statutes to require regulators to determine a merger’s “risk to the stability of the United States banking or financial system.”⁹⁶

Size and Complexity

Capital One’s acquisition of Discover would significantly increase its size. At \$625 billion in assets, the firm would eclipse Goldman Sachs (\$521 billion) in size and nearly double that of Bank of New York Mellon, both global systemically important bank (GSIB)-designated firms.⁹⁷ The acquisition also infringes on an OCC policy statement indicator, which identifies “mergers resulting in an institution with total assets less than \$50 billion” as consistent with approval.⁹⁸ This transaction would create an institution around 13 times that size.

The OCC also highlighted that the agency’s financial stability analysis will consider material increases in “the extent to which the combining institutions contribute to the complexity of the financial system,” and whether it would “increase the relative degree of difficulty of resolving or winding up the resulting institution’s business in the event of failure or insolvency.”⁹⁹ Regulators may decide that Capital One’s purchase of Discover, particularly the network element of the transaction, does both.¹⁰⁰

Regulatory and Supervisory Flaws

Recent events may amplify pressure on banking regulators’ assessment of the transaction’s impacts on financial stability. Banking agencies have come under pressure for what critics perceive as an insufficiently rigorous application of financial stability analysis in merger review,¹⁰¹ a process characterized by a former Federal Reserve governor as one that “remains analytically underdeveloped” and is “being applied in a haphazard fashion.”¹⁰²

Recent events have brought these concerns to the forefront of banking policy. The Federal Reserve’s 2021 determination that Silicon Valley Bank would not a “pose

⁹⁶ 12 U.S.C. § 1828(c)(5) .

⁹⁷ “2023 List of Global Systemically Important Banks (G-SIBs),” Financial Stability Board, Nov. 27, 2023, <https://www.fsb.org/2023/11/2023-list-of-global-systemically-important-banks-g-sibs/>.

⁹⁸ “Business Combinations under the Bank Merger Act,” OCC.

⁹⁹ Id.

¹⁰⁰ “Banks are more complex when they engage more in activities that are more sophisticated and innovative, making them different from the average bank in the financial system.” See: Frank Hong Liu et al., “Why Banks Want to Be Complex,” The American Economic Association, 2016, <https://repositorio.fgv.br/server/api/core/bitstreams/b5edd8f9-f736-4d50-aeef-18e7981d6e2b/content>.

¹⁰¹ Letter from Sen. Warren to Chair Gruenberg and Acting Comptroller Hsu.

¹⁰² Daniel K. Tarullo, “Regulators should rethink the way they assess bank mergers,” The Brookings Institution, March 16, 2022, <https://www.brookings.edu/opinions/regulators-should-rethink-the-way-they-assess-bank-mergers/>.

significant risk to the financial system in the event of financial distress” may still be fresh;¹⁰³ likewise, the FDIC’s subsequent invocation of the systemic risk exception to resolve the failures of SVB and Signature Bank — which were around one-third and one-sixth the size of a proposed Capital One-Discover, respectively — may increase regulators’ hesitancy to ignore financial stability risk.¹⁰⁴

Supervisory struggles may also impact bank regulators’ willingness to approve a tie-up among the largest U.S. banks. Following the collapse of SVB, the Fed’s supervisory wing took part of the blame: “Federal Reserve supervisors failed to take forceful enough action,” wrote Vice Chair for Supervision Michael Barr in a postmortem report.¹⁰⁵ These concerns are ongoing: A March 2024 Government Accountability Office (GAO) report found that the Federal Reserve and FDIC have not yet fully addressed the agencies’ bank supervision deficiencies.¹⁰⁶

Regulators will also consider whether approving a merger of this size is desirable from a resolution standpoint. Whether existing large bank resolution plans are realistic is a point hotly debated by top regulators and have been described as “a fairy tale” by FDIC board member and CFPB Director Rohit Chopra.¹⁰⁷ In a report outlining the biggest challenges facing the agency, the FDIC — responsible for resolving bank failures — stated that “key areas of concern” for the agency included properly detecting risk and preparedness to resolve bank failures in an orderly fashion.¹⁰⁸ The FDIC noted in its report that staffing was also a major issue: In five years, the FDIC lost more employees than it hired, including 20% of employees who handle bank failures.

Financial/Managerial Resources and Future Prospects

The Bank Merger Act requires that bank regulators consider the managerial resources, financial resources, and future prospects of the combining and the resulting institutions. This includes an assessment of the firms’ supervisory record, aimed at ensuring “safe and sound operations of the resulting institution.”¹⁰⁹

¹⁰³ Order Approving the Merger of Bank Holding Companies, the Merger of Banks, and the Establishment of Branches, Federal Reserve FRB Order No. 2021-08, Jun 10, 2021, <https://www.federalreserve.gov/newsevents/pressreleases/files/orders20210610a1.pdf>.

¹⁰⁴ With \$625 billion in assets, Capital One-Discover would be larger than all three regional banks that failed in the spring of 2023 combined.

¹⁰⁵ Michael Barr, “Review of the Federal Reserve’s Supervision and Regulation of Silicon Valley Bank,” Board of Governors of The Federal Reserve, April 28, 2023, <https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf>.

¹⁰⁶ Evan Weinberger, “Fed, FDIC Need to Fix Bank Supervision Problems, Watchdog Says,” Bloomberg Law, March 6, 2024, <https://news.bloomberglaw.com/banking-law/fed-fdic-need-to-fix-bank-supervision-problems-watchdog-says>.

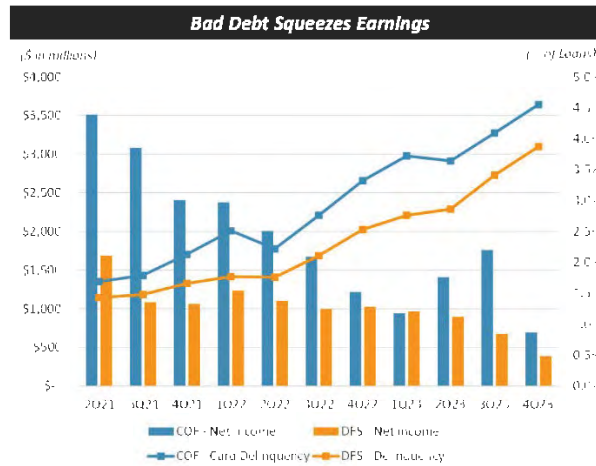
¹⁰⁷ “Statement of CFPB Director Rohit Chopra, Member, FDIC Board of Directors, at the FDIC Systemic Resolution Advisory Committee,” CFPB, Nov. 9, 2022, <https://www.consumerfinance.gov/about-us/newsroom/statement-of-cfpb-director-chopra-at-fdic-systemic-resolution-advisory-committee/>.

¹⁰⁸ “Top Management and Performance Challenges Facing the Federal Deposit Insurance Corporation,” FDIC Office of Inspector General, Feb. 2024, <https://www.fdicoinc.gov/sites/default/files/reports/2024-02/TMPC-Final-Feb24.pdf>.

¹⁰⁹ “Business Combinations under the Bank Merger Act,” OCC.

Future Prospects: Asset Concentration

A merged Capital One-Discover would have a key vulnerability that may impact the future prospects of the merged firm: asset concentration.¹¹⁰ The combination of two large financial institutions with asset concentration in credit cards, as well as other consumer lending products similarly sensitive to economic stress like auto loans, could leave the combined firm vulnerable to an economic downturn. According to 2023 year-end regulatory filings, \$121 billion of Capital One’s \$440 billion in assets lie in credit card loans, a ratio of 27.5%, while nearly \$100 billion of Discover’s \$147 billion in assets do (68%), leaving the combined firm with nearly 40% of its total assets concentrated in credit card loans alone.¹¹¹



Source: *The Last Bear Standing*

Bank regulators are well aware of both Capital One’s and Discover’s asset concentration risk. Both banks perform worse than peers on Federal Reserve stress tests,¹¹² which include simulated surges in credit card defaults, with Capital One suffering a recent stress test’s largest total loan loss.¹¹³ A February 2024 New York Federal Reserve report warned that credit card delinquencies are on the upswing,¹¹⁴ with both Capital One and Discover experiencing recent surges in charge-offs and

¹¹⁰ Mayra Rodriguez Valladares, “Capital One Should Not Rush To Acquire Discover,” Forbes, Feb. 22, 2024, <https://www.forbes.com/sites/mayrarodriguezvalladares/2024/02/22/capital-one-should-not-rush-to-acquire-discover/>.

¹¹¹ “Credit card loans represent 47% of Capital One’s loan portfolio [...] Discover’s credit card portfolio represents an even higher percent of its loan portfolio at 79%.” See: Rodriguez Valladares, “Capital One Should Not Rush,” also see SEC Form 10-K, Capital One Financial Corp, filed Feb. 24, 2023, <https://ir-capitalone.gcs-web.com/static-files/994c8bec-608e-49d1-8ae2-a039bc43ba54>; SEC Form 10-K, Discover Financial Services, filed Feb. 23, 2023, <https://d118rn0p25nwr6d.cloudfront.net/CIK-0001393612/9aaafe03-0512-424d-a775-7f8c01a768e2.pdf>.

¹¹² Lorenzo Migliorato, “Discover, Capital One loans ravaged by Fed stress test,” Risk.net, June 29, 2020, <https://www.risk.net/risk-quantum/7648261/discover-capital-one-loans-ravaged-by-fed-stress-test>.

¹¹³ Hugh Son, “Federal Reserve says 23 biggest banks weathered severe recession scenario in stress test,” CNBC, June 28, 2023, <https://www.cnbc.com/2023/06/28/fed-stress-test-2023-23-banks-weathered-severe-recession.html>.

¹¹⁴ Quarterly Report on Household Debt and Credit, 2023:Q4, Federal Reserve Bank of New York, Feb. 6 2024, https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2023Q4.

delinquencies, impacting earnings.¹¹⁵ Today, Capital One and Discover carry the highest level of subprime credit exposure among all large U.S. banks.¹¹⁶

Recent casualties of asset concentration include Silicon Valley Bank, whose reliance on uninsured sector-specific deposits led to its failure, and Silvergate, whose exposure to cryptocurrency volatility caused its demise.¹¹⁷ More recently, regulators approved New York Community Bank's acquisitions of both Flagstar Bank and a significant chunk of Signature Bank despite NYCB's overconcentration in commercial real estate (CRE) loans. From January through March 2024, the bank has flirted with collapse.¹¹⁸

Finances and Management

Both firms have had compliance failings that have led to enforcement actions in recent years. In particular, Discover's management and regulatory compliance failings have been highly publicized. The resignation of Discover's CEO in August 2023 for self-admitted "deficiencies" in corporate governance and risk management came just one month after the firm disclosed to regulators that it improperly overcharged merchants as much as \$365 million in interchange fees.¹¹⁹ Around the same time, Discover's CFO acknowledged publicly that there were "too many" regulatory failures mounting.¹²⁰ Today, Discover is facing several investor lawsuits alleging senior leaders misled investors about the firm's compliance programs.¹²¹

Discover was the target of CFPB consent orders in both 2015 and 2020 related to its loan servicing practices, which the CFPB found violated the Consumer Financial Protection Act of 2010, the Electronic Fund Transfer Act, and the Federal Reserve Board's Regulation E.¹²² More recently, in October 2023, Discover was the target of

¹¹⁵ Paige Smith, "Capital One Charge-Offs Jump on Auto, Credit Card Write-Downs," Bloomberg, Jan. 25, 2024, <https://www.bloomberg.com/news/articles/2024-01-25/capital-one-charge-offs-jump-on-auto-credit-card-write-downs>; Kate Fitzgerald, "Discover's credit card charge-offs overshadow strong loan growth," American Banker, Jan. 19, 2023, <https://www.americanbanker.com/payments/news/discovers-credit-card-charge-offs-overshadow-strong-loan-growth>.

¹¹⁶ "Bank Stocks, Charts & Data: 4Q23," The Spread Site.

¹¹⁷ John Heltman, "Capital One-Discover merger pits concentration risk against payments competition," American Banker, Feb. 20, 2024, <https://www.americanbanker.com/opinion/capital-one-discover-merger-pits-concentration-risk-against-payments-competition>.

¹¹⁸ Santul Nerkar, "What's Behind the Turmoil at New York Community Bank?," *The New York Times*, March 1, 2024, <https://www.nytimes.com/2024/03/01/business/new-york-community-bank.html>.

¹¹⁹ Caitlin Mullen, "Discover shares pricing error findings with regulators," Payments Dive, Sept. 13, 2023, <https://www.paymentsdive.com/news/discover-cfo-john-greene-card-pricing-error-investigation-regulators-fdic/693465/>.

¹²⁰ Id.

¹²¹ Ben Miller, "Discover Leaders Sued Again Over Compliance Issues, Stock Drops," Bloomberg Law, Oct. 6, 2023, <https://news.bloomberglaw.com/litigation/discover-leaders-sued-again-over-compliance-issues-stock-drops>.

¹²² "Discover Bank, The Student Loan Corporation, and Discover Products, Inc.," CFPB Enforcement Actions, Docket #2020-BCFP-0026, Dec. 22, 2020, <https://www.consumerfinance.gov/enforcement/actions/discover-bank-the-student-loan-corporation-and-discover-products-inc/>.

an FDIC consent order for “unsafe or unsound banking practices,” stemming from flaws in the bank’s compliance programs.¹²³

Capital One’s legal and compliance track record may also attract concern from bank regulators. The firm’s \$9 billion acquisition of online bank ING Direct in 2012, billed as “transformational” by the firm,¹²⁴ was approved by the Federal Reserve on the condition that Capital One upgrade its risk management approach after a number of commenters complained that the firm was violating state and federal consumer protection law.¹²⁵ Despite this, the firm has had a range of compliance issues in the years since. Most recently, in 2021, Capital One was the subject of a Treasury Department enforcement action for violating the Bank Secrecy Act, a federal anti-money laundering statute.¹²⁶ A 2019 hack of Capital One’s data systems compromised 100 million Americans, leading to an OCC consent order and \$80 million fine for the firm’s failure to properly manage IT risk.¹²⁷ These enforcement actions, alongside a 2019 Justice Department settlement for discriminatory recruiting practices,¹²⁸ could lead the OCC to trigger restrictions on the bank’s growth, per 2023 “persistent weaknesses” enforcement manual revisions.¹²⁹ Additionally, in its January 2024 policy statement, the OCC identified merger applications where “the acquirer has no open formal or informal enforcement actions” as consistent with approval.¹³⁰

Public Interest

During merger review, bank regulators are required by statute to take into consideration “the convenience and needs of the community to be served.”¹³¹ Commonly understood as a simple test of the banks’ Community Reinvestment Act (CRA) ratings, Congress designed the Bank Merger Act’s public interest assessment to be a wider-ranging review, one described by the Supreme Court as “the ultimate test” of a transaction’s approval.¹³² The

¹²³ Caitlin Mullen, “Discover, FDIC reach consent agreement,” Payments Dive, Oct. 2, 2023, <https://www.paymentsdive.com/news/discover-fdic-consent-agreement-compliance-consumer-protection-risk-regulators/695302/>.

¹²⁴ “2011 Annual Report,” Capital One, 2011, <https://investor.capitalone.com/static-files/8f64ab9f-4df7-4ab7-a321-5cc380bec44a>.

¹²⁵ Federal Reserve Merger Approval Order - Capital One Financial Corporation and ING Direct Investing, Inc. Feb. 14, 2012, pp. 13 & 39, <https://www.federalreserve.gov/newsevents/pressreleases/files/order20120214.pdf>.

¹²⁶ “FinCEN Announces \$390,000,000 Enforcement Action Against Capital One, National Association for Violations of the Bank Secrecy Act,” U.S. Treasury FinCEN, Jan. 15, 2021, <https://www.fincen.gov/news/news-releases/fincen-announces-390000000-enforcement-action-against-capital-one-national>.

¹²⁷ Renata Geraldo, “No prison for Seattle hacker behind Capital One \$250M data breach,” *The Seattle Times*, Oct. 4, 2022, <https://www.seattletimes.com/business/no-prison-for-seattle-hacker-behind-capital-one-250m-data-breach/>.

¹²⁸ “Department Secures Settlements with CarMax, Axis Analytics, Capital One Bank and Walmart for Posting Discriminatory Job Advertisements on College Recruiting Platforms,” U.S. Department of Justice Office of Public Affairs, Sept. 21, 2022, <https://www.justice.gov/opa/pr/justice-department-secures-settlements-carmax-axis-analytics-capital-one-bank-and-walmart>.

¹²⁹ Capital One meets stated criteria for “multiple enforcement actions against the bank executed or outstanding during a three-year period.” See: “OCC Revises Bank Enforcement Manual to Address Actions Against Banks with Persistent Weaknesses,” Office of the Comptroller of the Currency, May 25, 2023, <https://www.occ.gov/news-issuances/news-releases/2023/nr-occ-2023-49.html>.

¹³⁰ “Business Combinations under the Bank Merger Act,” OCC.

¹³¹ 12 U.S. Code § 1828.

¹³² *United States v. Third Nat’l Bank of Nashville*, 390 U.S. 171 (1968); Kress, “Modernizing Bank Merger Review.”

public interest framework also encompasses the banks' compliance with fair lending and other consumer protection laws.¹³³

A standard evaluation of the CRA impact of Capital One's acquisition of Discover may surface concerns that the deal could jeopardize \$300 million in Discover community development loans and investments, including affordable housing investments made under CRA.¹³⁴

While the Federal Reserve and OCC have not outlined how job losses not linked to branch closures will be evaluated, Capital One "expect[s] to reduce Discover's operating expenses by 26%," to achieve its targeted \$1.3 billion in operating expense synergy by 2027.¹³⁵ And with Discover's largest operating expense its employee compensation, at around 40% of its \$6 billion operating expenses in 2023, job cuts are all but assured.¹³⁶ One fintech analyst estimated the initial elimination of around 1,200 positions,¹³⁷ likewise, around 1,000 Discover jobs maintained in Delaware may be at risk, given statements on the investor call that only Discover's Chicago location would be maintained.¹³⁸

Additionally, a number of community and public interest groups oppose the deal.¹³⁹

Anti-Money Laundering

The 2001 PATRIOT Act amended federal banking statutes to require regulators to assess the merging banks' anti-money laundering record.¹⁴⁰

"The Capital One anti-money laundering (AML) enforcement action that concluded in January does for AML enforcement actions what Martin Scorsese's 'The Irishman' did for gangster movies," began a Bloomberg Law article on the firm's 2021 Treasury penalty. "Cover most of its field's major story lines of the past and present in a massive production packed with familiar names."¹⁴¹ The enforcement action, which resulted in a \$390 million

¹³³ Kress, "Modernizing Bank Merger Review."

¹³⁴ Discover Bank's CRA Strategic Plan 2023-2027, "Discover to add jobs in Delaware," Delaware Business Times, Sept. 15, 2022, <https://delawarebusinesstimes.com/news/discover-to-add-jobs/>.

¹³⁵ Capital One CFO Andrew M. Young on the Feb. 20 investor call.

¹³⁶ Discover 10-K, p. 86.

¹³⁷ "[L]egacy Discover leadership has a 20% representation in decision making. Translated to the personnel, when I do the math it means this combined workforce is going to need to take at least a 6% cut. [...] Right now the workforce distribution is closer to 26/74." See: Zariq Khan, "Capital One buys Discover - now what?," Fintech Compliance Chronicles, Feb. 22, 2024, <https://fintechcompliance.substack.com/p/capital-one-buys-discover-now-what>.

¹³⁸ Jacob Owens, "Discover to add jobs in Delaware," Delaware Business Times, Sept. 15, 2022, <https://delawarebusinesstimes.com/news/discover-to-add-jobs/>.

¹³⁹ "NCRC Opposes Capital One-Discover Merger," National Community Reinvestment Coalition, Feb. 20, 2024, <https://ncrc.org/ncrc-opposes-capital-one-discover-merger/>; Anthony Noto, "Is Capital One Next? Corporate Deals Are Getting Nixed As M&A Scrutiny Intensifies," *Global Finance Magazine*, March 7, 2024, <https://gfmag.com/capital-raising-corporate-finance/mergers-acquisitions-blocked-regulators-capital-one-discover/>.

¹⁴⁰ Kress, "Reviving Bank Antitrust."

¹⁴¹ Robert Kim, "Capital One Case Teaches Old and New AML Lessons," Bloomberg Law, Jan. 29, 2021, <https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-capital-one-case-teaches-old-and-new-aml-lessons>.

penalty for what officials described as Capital One’s “egregious” and “willful” violations of AML laws,¹⁴² targeted compliance failures that were “elementary,” the Bloomberg analyst wrote, involving simple filings that were rarely an element of AML enforcement actions, “except those against small financial institutions with limited resources for AML compliance.”¹⁴³

The 2021 enforcement action came after multiple prior OCC consent orders for AML failures. In 2018, the OCC levied a consent order with a \$100 million penalty against Capital One, noting that the firm’s violations also breached a previous AML consent order imposed in 2015.¹⁴⁴

The January 2024 OCC policy statement identified transactions where the acquirer has open or pending AML enforcement actions as an example of “indicators that raise supervisory or regulatory concerns.”

¹⁴² “FinCEN Announces \$390,000,000 Enforcement Action Against Capital One, National Association for Violations of the Bank Secrecy Act,” U.S. Treasury FinCEN, Jan. 15, 2021, <https://www.fincen.gov/news/news-releases/fincen-announces-390000000-enforcement-action-against-capital-one-national>.

¹⁴³ Id.

¹⁴⁴ Robert Armstrong, “Capital One fined \$100m over anti-money laundering controls,” *Financial Times*, Oct. 23, 2018, <https://www.ft.com/content/7b716658-d6f2-11e8-ab8e-6be0dcf18713>.

From: [Connie Curts](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Comment on Capital One acquiring Discover
Date: Wednesday, April 24, 2024 2:47:01 PM

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I object to the acquisition. After several years of mediocre customer service at Capital One, we stopped using Capital One and chose Discover. We knew one person formerly employed at Capital One's telephone customer service group who described a toxic work environment. Since Discover has provided outstanding customer service, consistently, regardless of which service office answers the phone, we truly fear the quality of service will deteriorate to the toxic environment at Capital One.

I worked in a toxic work environment 40 years ago, and that organization remains toxic. I have no evidence that indicates a bad, toxic environment improves with time.

-- Constance Curts
110 SE Wingate St
Lee's Summit, MO 64063
816.246.6447

Sent from my T-Mobile 5G Device

From: [Jeffrey Kolsin](#)
To: [RICH BankSup Applications Comments](#)
Subject: [External] Capital One Merger With Discover
Date: Wednesday, April 24, 2024 3:10:44 PM

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Rich:

After reviewing the published information on Capital One's website, and their projections for 2027, the only way to accomplish this is a massive reduction in personnel at both Capital One and Discover. If you are concerned with the economy of the US, this could cause further problems for the Federal Reserve Board of Governors. In addition, additional power concentration in the financial market with this organization's failure could cause future shock waves to the financial system for the US and the world. It eliminates competition in the marketplace and hurts the small individual's choice. If the customer has a Capital One credit card and a Discover card, the newly merged company could reduce credit to that customer. It's good for the bank but not for the customer. Too much concentration of financial resources in one place. This is not the America I grew up with. Please reject this merger. If approved, then appropriate restrictions should be in place.

Take care. Thanks for listening.

Jeffrey Kolsin CPA

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