

February 28, 2020

Warren to Big Banks: How Are You Preparing for a Coronavirus Outbreak?

[Text of Letters \(PDF\)](#)

Washington, DC – United States Senator Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking, Housing and Urban Affairs Subcommittee on Consumer Protection and Financial Institutions, today sent letters to the CEOs of Citigroup, JPMorgan Chase, Goldman Sachs, Bank of America and Morgan Stanley -- the U.S.-based “Too Big to Fail” banks with the largest foreign exposures -- asking about how they are monitoring and preparing to mitigate the economic risks of the outbreak of the coronavirus.

“As a globally systemic important bank, your institution and the customers it serves could be impacted either directly through exposures to areas where the virus has spread or indirectly through a change in market conditions caused by disruptions in supply chains, a drop in tourism or travel, or numerous other factors that could cause a slowdown in economic growth,” **wrote Senator Warren**. “I ask that you provide information regarding how you evaluate the risks to your institution and its customers associated with coronavirus, the extent to which your institution is exposed to those risks and prepared to absorb their impact, and how you are monitoring the developments going forward.”

The outbreak of a new coronavirus, now known as COVID-19, has already had significant impacts on the economy in China, where two-thirds of businesses are in lockdown and a third have been closed since the Lunar New Year holiday. Other economies including the U.S. economy are beginning to feel the effects— in recent days, the major U.S. stock indices have tumbled amid fears of a global slowdown catalyzed by the spread of the virus.

In an interconnected global economy, coronavirus could have an impact on a giant international bank’s operations either directly if their customers are located in a region hard-hit by the virus, indirectly if the their customers’ supply chains are interrupted, or through other risks associated with the coronavirus outbreak – stock market declines, interest rate changes, increases in sovereign credit risk, and even the potential for civil unrest in countries hard-hit by the threat. Senator Warren has asked how these Too Big to Fail banks have prepared for the virus outbreak, the extent to which they are exposed to the outbreak, and how they are monitoring ongoing developments related to the outbreak going forward.

Senator Warren asks the banks to respond to her questions regarding how they are monitoring and preparing for the risks associated with this outbreak by March 13, 2020.

Since the beginning of the coronavirus outbreak, Senator Warren has worked to ensure that the Trump Administration is effectively responding to the outbreak and that the U.S. has the resources needed to address this threat. Her ongoing efforts include the following:

Yesterday, she [introduced legislation](#) requiring all funds that have been appropriated to build a border wall-including funds directly appropriated by Congress and funds diverted by the executive branch from other accounts-to be immediately transferred to the U.S. Department of Health and Human Services (HHS) and the United States Agency for

International Development (USAID) for the purpose of combatting the novel coronavirus.

Senator Warren wrote to federal agencies [raising concerns](#) over reports that appeared to show confusion and disagreement between federal officials earlier this month when State Department and HHS officials overruled Centers for Disease Control and Prevention (CDC) recommendations during the evacuation of American citizens with coronavirus from Japan.

Senator Warren joined Senate Health, Education, Labor, and Pensions (HELP) Committee Ranking Member Patty Murray (D-Wash.) and 24 of their Senate colleagues [pressing](#) the Trump Administration to request emergency funding for the coronavirus response. Their letter to HHS and the Office of Management and Budget (OMB) also expressed their concerns over the Trump Administration's failure to outline what additional resources it needs to respond to the rapidly developing coronavirus outbreak.

Senator Warren and Senator Murray led 25 of their Senate colleagues [urging](#) the head of the National Security Council (NSC) to appoint a senior global health security expert to manage the response to the threat. Senators Warren and Murray [first raised concerns](#) about this lack of public health leadership at the NSC in May 2018.

Senator Warren also [joined](#) Senator Murray and sent a letter to OMB and HHS opposing their decision to pull funding from existing public health programs to combat coronavirus rather than requesting supplemental funds from Congress.

On February 13, 2020, Senator Warren joined Senator Dianne Feinstein (D-Calif.) on a bipartisan letter [calling](#) on HHS to establish clear guidelines for how state and local governments will be reimbursed for costs incurred while assisting the federal response to the coronavirus outbreak.

On February 3, 2020, Senator Warren joined Senator Murray and Congressman Derek Kilmer (D-Wash.) and 47 of their bipartisan colleagues [calling](#) on CDC to distribute rapid diagnostic tests for the novel coronavirus as quickly as possible and to prioritize states with confirmed cases of the virus to receive the first available test kits.

On January 31, 2020, after the first coronavirus case was confirmed in the United States, Senators Warren and Angus King (I-Maine) [questioned](#) USAID on the agency's 2019 decision to shutter PREDICT, a global infectious disease prevention program, which from 2009 to 2019, identified nearly 1,000 new viruses, including a new strand of Ebola; trained roughly 5,000 people; and improved or developed 60 research laboratories.

Also in January 2020, Senator Warren joined Senator Murray and 29 of their Democratic Senate colleagues [sending](#) a letter to HHS Secretary Alex Azar requesting updates on the Administration's response to the novel coronavirus outbreak and information on the steps being taken to keep families safe.

Further, following the U.S.-China Economic and Security Review Commission's [2019 Annual Report](#) that showed U.S. "growing reliance" on products critical to the manufacturing of drugs, which are primarily made in China, Senator Warren and a group of bipartisan senators [wrote](#) to the Department of Defense (DoD) seeking answers on how DoD is working to address the risk of reliance on foreign drug makers.

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