

Banking and Finance Law Daily Wrap Up, CAPITAL AND BASEL ACCORDS—Warren, Sanders ask big banks to justify buyback, dividend authorizations, (Sept. 9, 2025)

Banking and Finance Law Daily Wrap Up

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By Nora Macaluso

The senators cited disparities between the banks' actions and claims supporting their lobbying efforts on capital requirements.

Senators Elizabeth Warren (D-Mass.) and Bernie Sanders (I-Vt.) have [asked](#) the heads of six major U.S. banks to explain their decisions to raise dividends and authorize stock buybacks following the Trump administration's easing of capital requirements, instead of increasing lending or lowering rates and fees for businesses and consumers.

"These actions disproportionately benefit their wealthy shareholders and executives while threatening American financial stability and paving the way for another taxpayer bailout," the senators wrote. They said the banks' actions run counter to "rhetoric" they used in lobbying the administration for reduced capital buffers.

"Severely undercapitalized Wall Street banks contributed to the 2008 financial crisis and worst economic recession since the Great Depression," the lawmakers said in letters to the chief executives of [Goldman Sachs](#), [JPMorgan](#), [Bank of America](#), [Citi](#), [Morgan Stanley](#), and [Wells Fargo](#).

"Millions of people lost their jobs, depleted their life savings, and were thrown out of their homes," while the banks received billions of dollars from the Troubled Asset Relief Program and other government programs, the letters said.

The individualized letters cited each bank's plans for using the excess capital, noting, for example, JPMorgan's decision to increase its dividend by 7.1 percent and authorize the repurchase of \$50 billion in stock. Goldman Sachs' letter references a 33 percent dividend increase and \$40 billion share repurchase program, and the letter to Ted Pick, chairman and chief executive officer of Morgan Stanley, notes that the bank raised its dividend by 8.1 percent and authorized a \$20 billion buyback.

Warren, the ranking Democrat on the Senate Banking Committee, and Sanders said the banks' actions show that their argument that lower capital requirements lead to more lending and better pricing for consumers and small businesses is "dangerously misleading."

The banks' "lobbying, directly and through [their] trade associations, and the Trump Administration's willingness to grant [the banks'] wishlist ... puts the entire economy at risk," the letters said. "It invites yet another financial crash and a fresh round of taxpayer bailouts."

The senators asked each bank's CEO to respond by September 22 to a series of questions, including why they decided to raise dividends and repurchase stock instead of expanding lending to or reducing costs for small businesses and households, and whether they plan to increase bonuses for executives this year.

Companies: Bank of America; Citi; Goldman Sachs; JPMorgan; Morgan Stanley; Wells Fargo

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