

# WHAT YOU SHOULD KNOW ABOUT JOSEPH OTTING, TRUMP'S COMPTROLLER OF THE CURRENCY

Joseph Otting worked at Bank of America and U.S. Bancorp before being tapped by then-future Treasury Secretary, Steven Mnuchin, to be CEO of California regional bank, OneWest. His leadership at the OCC **puts the American banking system, and the entire economy, at risk.**

## OTTING AT ONEWEST:

Otting's recent moves to deregulate banks is part of a trend established earlier in his career. OneWest Bank was founded in 2009 when Mnuchin and other investors bought collapsed subprime mortgage giant IndyMac from the Federal Deposit Insurance Corporation (FDIC) at a bargain rate.<sup>1</sup> They renamed it OneWest, with Mnuchin as Chairman. In 2010, Mnuchin tapped Otting to be CEO. The deal Mnuchin struck with the FDIC stipulated that OneWest offer loan modifications to homeowners in exchange for **subsidies on failed mortgages**. Instead, it initiated over 137,000 foreclosure proceedings between 2009 and 2015, earning \$3 billion in profits.<sup>2</sup>

OneWest's efforts to turn a profit on foreclosures knew no bounds: The California Attorney General determined OneWest used unsafe and unsound methods, including gaming foreclosure auctions, failing to properly notify homeowners about foreclosure proceedings, and backdating signatures to expedite foreclosures.<sup>3</sup> In 2014, OneWest foreclosed on a 90-year-old woman because she owed them a mere 27 cents.<sup>4</sup> OneWest changed the locks on a Minnesota family in the middle of a blizzard.<sup>5</sup> By avoiding opening branches in minority communities and making very few loans to minority families, OneWest implemented racially discriminatory practices.<sup>6</sup> Otting signed onto a letter to the Federal Reserve advocating for the repeal of the Volcker Rule, which prevents banks from speculating for profit on their customers' deposits.<sup>7</sup>

## OTTING AT THE OCC:

Otting kept his vast bank holdings well after his confirmation.<sup>8</sup> Otting took office as the Trump administration's top Wall Street overseer with **millions of dollars invested in the banks he is directly responsible for regulating**. Soon after taking office, Otting announced he was scrapping a plan designed to prevent big bank regulators from getting too chummy with the banks they were charged with supervising.<sup>9</sup> Otting wants to reverse an Obama-era regulation that blocked big banks from making small loans using predatory tactics, including charging triple-digit interest rates and tacking on exorbitant fees.<sup>10</sup> Otting even refused to disclose which big banks were taking part in fraudulent behavior that included opening nearly 10,000 accounts on behalf of customers *without* their permission.<sup>11</sup>

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