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AG Balderas Announces Settlement of more than \$7 Million with Wells Fargo in New Mexico

Agreement resolves state consumer protection claims for alleged unfair and deceptive trade practices

Albuquerque, NM – Today, Attorney General Hector Balderas announced that Wells Fargo will pay more than \$7 million in settlement to the State of New Mexico. This payment is to resolve claims that the bank violated state consumer protection laws by (1) opening thousands of unauthorized accounts in New Mexico and enrolling customers into online banking services without their knowledge or consent, (2) improperly referring customers for enrollment in third-party renters and life insurance policies, (3) improperly charging auto loan customers for force-placed and unnecessary collateral protection insurance, (4) failing to ensure that customers received refunds of unearned premiums on certain optional auto finance products, and (5) incorrectly charging customers for mortgage rate lock extension fees.

“As the fiscal agent for the State, and a provider of banking services to thousands of New Mexicans, Wells Fargo violated the law and put New Mexicans at risk,” said Attorney General Hector Balderas. “It is deeply troubling that a company with this much at stake in our state would mislead New Mexico consumers and allow unlawful profiteering. As our lawsuit and settlement shows, I will continue working hard to ensure big out-of-state corporations are held accountable for the damage they cause to New Mexico families.”

In addition to a multi-state settlement reached by all 50 states and the District of Columbia, the State of New Mexico has also settled its own lawsuit against the banking giant. With settlements, Wells Fargo will pay more than \$7 million to New Mexico to further consumer protection and education efforts across the state.

Wells Fargo will also create a consumer redress review program through which consumers who have not been made whole through other restitution programs already in place can seek review of their inquiry or complaint by a bank escalation team for possible relief. To date, this settlement represents the most significant engagement involving a national bank by state attorneys general acting without a federal law enforcement partner.

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