

JPMorgan Chase is dedicated to being a great company, acting in our customers' best interests as well as those of our employees and shareholders. This means offering, through our consumer-facing brand, Chase, high-quality, suitable products and services that meet the needs of our diverse consumers. It also means giving people all the information they need to understand clearly the terms and features



Consumers

: supporting homeownership

HOPE NOW Alliance

In 2007, Chase helped create HOPE NOW, a national alliance of banks, counselors, servicers, investors and other mortgage market participants. HOPE NOW's goal is to keep people in their homes and to provide help and information to at-risk borrowers. In 2007, the alliance found solutions for more than a million U.S. families.



of our many products. We continue to make it easier to do business with us by going to great lengths so that our people are knowledgeable, courteous and helpful. And we are investing in resources to help our customers do business with us easily and securely. Our reputation as a trusted, stable and experienced lender is more important now than ever as consumers face challenging economic conditions.



:shaping lending solutions

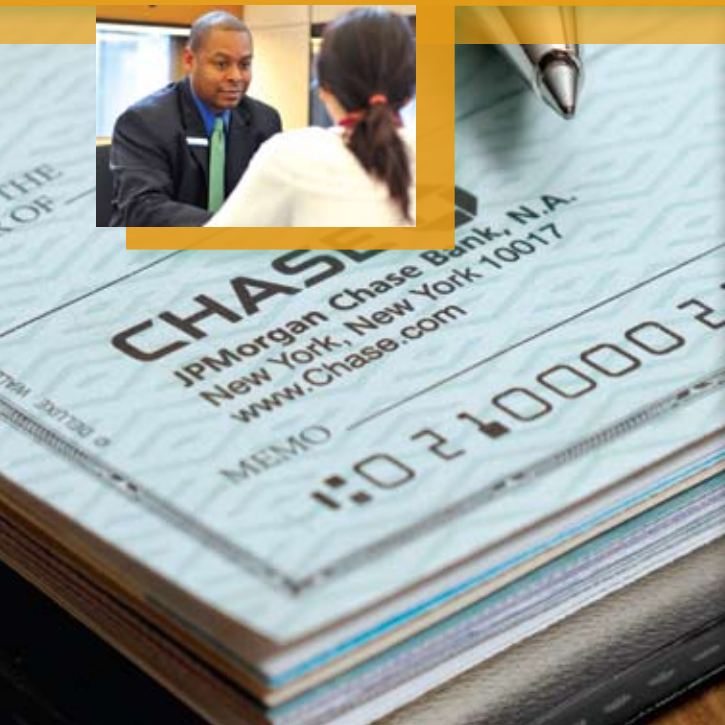
:advocating for customers

Public Policy

Chase supports a new federal initiative designed to keep people in their homes. The five-year interest-rate freeze for qualified borrowers will help us streamline approval of securitized loan modifications. In addition, on its own initiative, Chase voluntarily modified 1,797 of its subprime ARM loans from January 1, 2007 through March 1, 2008.

Chase Card Services

As part of our Chase Clear & Simple initiative to make our credit card services consumer-friendly, we broke with industry convention and adopted new pricing practices that don't penalize customers simply because their credit scores decline.



Consumers

Highlights

Foreclosure Prevention

Our Homeownership Preservation Office facilitated more than 45 foreclosure prevention training sessions in 2007 and trained more than 1,500 nonprofit counselors, housing advocates and public officials.

Mortgage Consumer Advice

We introduced our Adjustable-Rate Mortgage (ARM) Reset Notification Program in 2007 to give homeowners advance notice of how their interest rate and monthly mortgage payment may change at the reset date.

Mortgage Disclosure

JPMorgan Chase helped consumers better understand our products' terms and fees through programs such as "Mortgage Nutrition Labels" in Home Lending.

Responsible Lending

Being a responsible lender is nothing new for us. It has long been our intent to provide the right loans to the right customers, those who can demonstrate good financial judgment, make meaningful financial decisions and have the ability to repay a financial obligation.

Chase is the fourth-largest residential mortgage lender in the United States, and with this leadership comes responsibility. We continually examine our lending practices so we can respond to our customers' concerns in changing markets, especially in the current environment where credit is tight and home prices are flat or declining in many communities.

Now more than ever, it is critical that consumers recognize Chase as a reputable and dependable lender. We are reinforcing some longstanding beliefs through our Responsible Lending campaign, which is built on the following principles:

- We believe that an informed consumer is our best customer.
- We are committed to creating customers for life.
- We want to help consumers achieve and sustain homeownership.
- We recognize that homeownership contributes to thriving communities.

As part of this campaign, we have given our loan officers several resources to help them support our customers during these uncertain times. Their toolkit includes a free homeowner education CD, and a clear and simplified mortgage disclosure document. We have also implemented an annual review program to encourage conversations with many of our customers about whether their mortgages still fit their needs and budget.

Homeownership

Providing home loans is one of the most important ways we act on our commitment to responsible lending. This means matching customers with mortgages they can afford today and in the future, pricing mortgages fairly and preventing discrimination against loan applicants. Our mission is clear: we help people buy homes and we help them keep their homes whenever possible.

Promoting Ownership

Buying a home is a big step for many people. It can help them climb the economic ladder and contribute to the overall development of stable communities. We support many programs that put prospective buyers on the path to homeownership.

Home Buyer Seminars. Our branch counseling program gives first-time and low-income borrowers comprehensive home buying information. We partner with a number of community-based organizations such as ACORN Housing Corporation to help potential buyers navigate the process.

Mortgage Insurance Discounts. In partnership with mortgage insurance companies, we offer consumers a ten-basis-point discount off their mortgage insurance premium when they successfully complete a face-to-face mortgage counseling class through an approved nonprofit counseling organization.

Financial Literacy. Our extensive financial literacy program—four web-based workbooks available in English and Spanish—allows Chase employees and nonprofit partners to conduct workshops that reach thousands of customers and small businesses.

Sustaining Ownership

Our business is more than simply making home loans—we do everything in our power to help people keep their homes and maintain financial stability. Our vast lending experience and longstanding commitment to home buyers are more important than ever in today’s challenging mortgage market. We’re proud that our industry-shaping efforts are helping millions of people across the country.

Homeownership Preservation Office. In 2004, Chase created its Homeownership Preservation Office (HPO), dedicated to foreclosure prevention. Recognized on Capitol Hill as a first-class initiative for the entire industry, HPO serves as the key contact for legal aid groups and housing advocates to work with Chase Home Lending to help homeowners keep their homes.

HPO has created influential resources to help all homeowners—not just Chase customers—weather the mortgage crisis, including:

- Establishing a dedicated, toll-free help line that received more than 7,600 calls last year from nonprofits that help owners prevent foreclosure;
- Training 1,300 counselors and public officials on loss-mitigation solutions; and
- Partnering with NeighborWorks and the Ad Council to create the “Nothing Is Worse than Doing Nothing” public service announcement that encourages borrowers in foreclosure to seek help early.

Customer Advisory. Many borrowers—prime and subprime—lose track of their adjustable-rate mortgage reset dates or do not understand that their monthly payments could increase dramatically. So Chase reaches out to customers multiple times by multiple means, including mail and telephone.

In early 2007, Chase introduced its Adjustable-Rate Mortgage (ARM) Reset Notification Program to give homeowners advance warning about the degree to which their ARM interest rates and monthly mortgage payments will change.

This notification program has produced significant results, including refinancing \$912 million of subprime ARMs. Many of these customers can also take advantage of our enhanced refinance program, which uses prequalification and streamlined documentation to help them easily convert their Chase-owned ARMs to fixed-rate mortgages.

Foreclosure Support. We seek to support our customers throughout the life cycle of a mortgage, including when they need it most: during foreclosure. As part of our Foreclosure Rescue Program, when a customer reaches out to us in a timely way, we put the process on hold up to five days prior to foreclosure and review the customer’s file to explore how we can avoid foreclosure. We also sponsor local foreclosure prevention seminars by working with community groups and other advocates who put us in touch with borrowers who need help.

Clearer Product Disclosure

Key to responsible lending is providing clear and easy-to-understand information about each of our products. In 2007, we made significant strides in this area.

“Mortgage Nutrition Labels”

We’ve debuted an easy-to-read document for prospective home buyers that’s available in English, Spanish and Chinese. Like the food industry’s nutrition label that tells consumers what they are buying, our mortgage nutrition label clearly defines terms and conditions so customers can understand their commitments.

We provide this document to all home-loan customers and brokers, along with a simple chart summarizing our mortgage products so they can compare features.

Credit Card “Clear & Simple”

Chase Clear & Simple is web-based resource that provides information and tools to help customers manage their credit card accounts, maintain their interest rates and avoid fees.

We recently broke with industry convention and adopted new pricing practices that don’t penalize customers simply because their credit scores decline.

: making better credit choices

Chase Card Services

Through the “Clear & Simple” website customers can sign up for personalized alerts—e.mail, voice, or text—that tell them when payments are due or credit limits have been reached.

www.chaseclearandsimple.com



Meeting Our Customers' Needs

We have significantly invested in resources to help our customers do business with us readily and securely—anytime, anywhere, any way.

Improved Customer Experience

Our Presence. Whether in a branch, on the phone, online or in person, we're committed to enhancing our contact with customers. To this end, we opened 127 retail bank branches in 2007 for a total branch footprint of more than 3,100 offices across the United States. We added 680 ATMs to our network, which now totals 9,100 ATMs available to customers.

In our online presence, we have developed design practices and features to safeguard and navigate information more easily. We've added tools and safety features, such as only partially revealing account numbers and allowing customers to assign names that help them identify numbered accounts online.

In-Branch Support. In 2007, we increased in-branch personal bankers, business bankers, mortgage officers and investment specialists by a combined 2,568, or 23%. We also invested in additional training for our branch employees.

Customers with Disabilities. We offer many free services to help customers with disabilities easily conduct their banking business, including talking automatic teller machines, reader services and alternative account documentation formats.

Privacy. Privacy is an important part of our customer experience, and we take a number of steps to protect information about our customers, including keeping information under physical, electronic or procedural controls that comply with or exceed governmental standards and requiring our contracted companies to protect customer information and only use it for services we ask them to perform for us.

:enhancing our service

Training Our Employees

Well-trained employees strengthen customer interactions. Our new Chase Telephone Courtesy program helps more than 34,000 branch employees handle calls effectively. A new teller manager training program encourages fast, courteous service at the teller windows. And we've trained 3,000 branch managers how to make customer service more personal.



:managing finances

Student Outreach

To help students control their financial future, Chase has reached out to them online. Our credit card site explains how credit works, how to make and stick to a budget and how to safeguard credit. And on Facebook, they can join 0+1 Group for more helpful tools and tips.



Products for Specialized Needs

We have developed a number of programs to cater to the specialized needs and interests of customers.

Nontraditional Customers. We developed Chase Access Checking to serve customers who do not traditionally qualify for accounts, generally because of poor credit or checking account history. Features such as debit card purchase limits and limited ATM withdrawals help customers manage their accounts properly so they might advance to opening more-standard accounts.

Students. We offer special services and credit cards to help students responsibly enter the world of credit. For example, our Chase Clear & Simple website provides a good deal of information, from how to use credit wisely to making and following a budget. Additionally, students have access to no-annual-fee cards and redemption programs through our wide range of credit cards.

Military Families. We recognize the added strains that military families face, and we're dedicated, through our Military Families Financial Initiative, to easing financial burdens they may suffer. The initiative provides many tangible financial benefits, including college scholarships for cardmembers and their dependents, military credit cards with lower fees and interest rates, and finance charge rebates for members who have been deployed to a combat zone.

Adoptive Parents. We initiated a program, associated with the Dave Thomas Foundation for Adoption, offering a special discounted home equity line of credit for adoptive parents to help offset adoption-related expenses.

Small Business

Small businesses fuel the growth of our economy, and we work hard to provide the resources needed to help them grow.

Our Public Commitment. In 2004, we committed \$90 billion over a 10-year period in loans and investments to assist small businesses and community-based nonprofit organizations. In 2007 alone, the firm provided nearly \$23 billion in small business loans.

SBA Loans. SBA loans make it possible for smaller, less capitalized and emerging businesses to get financing. Chase is a preferred SBA lender and in 2007, ranked #2 nationally in the number of SBA loans made.

Business Expertise. Chase has business teams in place to serve the needs of nonprofit organizations and women- and minority-owned businesses. Our website offers information about topics such as initial financing, managing cash flow and business insurance.

Serving Diverse Markets

While millions of people have ready access to credit and bank accounts, we strive to bring more financial services to underserved consumers, who are often lower- and moderate-income consumers and minorities.

Affordable Lending. Behind our affordable lending efforts is our \$800 billion commitment to invest in communities across the United States. To date, we have originated \$259 billion in mortgages for minority- and lower-income borrowers, and our Emerging Markets and Affordable Lending team is cultivating strategic business partners, educating home buyers and leveraging our community and industry relationships to increase lending to underserved communities.

Community Outreach. We reach out to diverse markets by listening to influential minority leaders who have a finger on the pulse of their respective communities. Our National Housing Advisory Council exemplifies our community outreach efforts. The council, composed of influential leaders from minority communities and the national housing arena, guides our emerging markets strategy by identifying issues and brainstorming solutions.

Our sponsorship of popular programming, such as *Nuestro Barrio* (Our Neighborhood), helps us connect with and bring financial services to new customer segments. We are using this Spanish-language public television series to engage viewers with soap opera storylines that also impart lessons about banking, credit and homeownership.

Financial Education

By empowering people with financial knowledge, we're helping consumers make smart economic decisions that contribute to their success—and to the success of our communities, our business and the entire financial system.

Our approach is a collaborative effort among our businesses, our foundation and partnerships with financial education organizations.

Youth. We support programs that expose middle- and high-school students to different aspects of financial knowledge depending on their grade level. These programs complement the skills students have attained in this age range, including a basic understanding of math and the ability to make decisions and understand their consequences.

College. We collaborate with trusted organizations affiliated with colleges and universities to provide college students with information about many different topics, including how to choose student loans, understanding student loan costs and obligations, and how credit is scored and reported.

Adults. We maximize our financial literacy outreach to adults by supporting programs that educate trainers who can teach seminars on a variety of financial topics such as budgeting, investing, saving and homeownership. Chase has long been committed to educating homeowners, particularly in low- to middle-income communities, so they can plan wisely and prevent the risk of foreclosure. In addition to holding workshops in targeted communities, Chase creates and distributes a wide range of financial educational literature through nonprofit partners.