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September 15, 2026

Via Email

Paul P. Worthing
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
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Director Worthing,

We write to supplement our letter dated March 16, 2026, and to provide the FDIC with information regarding additional steps PayPal will take as part of its continuing commitment to serving customers fairly and consistently.

As detailed in our March 16 letter, PayPal has for several years been engaged in a deliberate and ongoing effort to review and update its relevant policies and processes to continue to ensure that account-related decisions are grounded in objective criteria based in legal and regulatory requirements, contractual obligations, and financial risk mitigation. These criteria help PayPal ensure that it reviews accounts fairly and consistently, making decisions based on account activity, not a customer's religion, race, disability, gender, sexual orientation, national origin, political affiliation, or any characteristic protected under applicable law. The forthcoming updates described below continue that effort.

**Update to Acceptable Use Policy**

PayPal intends to update the language in its Acceptable Use Policy ("AUP") governing transactions related to violence and discriminatory activity. The current version of the relevant provision prohibits the use of PayPal services for activities that relate to transactions involving "the promotion of hate, violence, racial or other forms of intolerance that is discriminatory or the financial exploitation of a crime." The updated provision will prohibit the use of PayPal services for activities that relate to transactions involving, in relevant part:

> [T]he engagement in, or the encouragement, promotion, or celebration of, violence or discriminatory activity based on race, religion, disability, gender, sexual orientation, national origin, or any characteristic protected under applicable law, or the financial exploitation of a crime.

**Update to User Agreement**

PayPal also intends to update the Restricted Activities section of its User Agreement ("UA"). The current version of the relevant provision prohibits customers from providing "false, inaccurate or misleading information" without further qualification. The updated provision will clarify the scope of that prohibition and make clear what has always been the case -- that this restriction is limited to conduct in the payments relationship. The updated provision states that a customer shall not, in relevant part:

> [P]rovide false, inaccurate or misleading information regarding your identity, account or business, goods or services offered or purchased, transaction details, or other information related to your use of our services.

**Update to Frequently Asked Questions**

PayPal also intends to update the Frequently Asked Questions page, addressing account limitations by adding the following language to that page:

> PayPal wants its platform to be a place where customers can transact safely. To do that, PayPal makes assessments informed by legal, regulatory, financial, and contractual considerations to determine whether account activity warrants review or action. This can address a range of concerns, including, for example, fraud, violations of law, unlawful discrimination, or risk to the security of PayPal's platform and its customers.
>
> PayPal reviews accounts fairly and consistently, making decisions based on account activity, not a customer's religion, race, disability, gender, sexual orientation, national origin, political affiliation, or any characteristic protected under applicable law.

The updates described above will be published on or about November 4, 2026. The updates build upon the policies and procedures detailed in our March 16 submission to further advance PayPal's commitment to fair, consistent, and objective account management. PayPal remains committed to ensuring that this principle is reflected throughout its policies.

In Service,



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PayPal Bank (in formation)

Cc:

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