Building Immigrant Financial Security: A Guide for Banks

CALIFORNIA REINVESTMENT COALITION

Building Immigrant Financial Security: A Guide for Banks

California Reinvestment Coalition

August 2018

By Andrea Luquetta-Kern, Jessica Lindquist, Nehama Rogozen

The California Reinvestment Coalition builds an inclusive and fair economy that meets the needs of communities of color and low-income communities by ensuring that banks and other corporations invest and conduct business in our communities in a just and equitable manner.

California Reinvestment Coalition
474 Valencia Street, Suite 230
San Francisco, CA 94103
415-864-3980
www.calreinvest.org

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Immigrant communities urgently need access to safe and affordable financial services to prepare for immigration-related emergencies, to protect their assets, and to build their economic futures. As targets of unprecedented federal action and corrosive rhetoric, immigrant families across California report feeling threatened, whether or not they have temporary or permanent authorization to reside and work in the United States.

Immigrants are working and saving to secure a future for themselves and their families, often including children or other family members who were born in the U.S. or otherwise have legal residency or citizenship, comprising "mixed-status" families.

Some immigrant families who qualify for food assistance and other social services, because they are both low-income and have the requisite immigration status, have nonetheless stopped using them because of federal threats that use of these services may be held against them in future immigration proceedings.[1] Others are facing sudden changes in immigration law, leading them to spend hundreds if not thousands of dollars on legal fees, and facing the sudden loss of their ability to earn income for their families.

Families facing sudden economic pressures because of changes to the immigration status of someone in their family are more likely to experience financial crises that could destabilize them in the long term.

Banks are uniquely situated to provide critical financial services to low- and medium-income communities, and get federal credit for doing so under the Community Reinvestment Act. Unfortunately, many banks have failed to meet the needs of these communities, by offering expensive products, engaging in deceptive business practices, and lacking culturally competent services.

Some banks that have previously offered immigrant-friendly services have recently added invasive questions about citizenship status to their account opening process and sought to confirm citizenship status of current customers. This dovetails all too neatly with the political agenda of those who would like to see the number of immigrants in the U.S. decimated, and immigrant communities politically marginalized and economically weakened.

CRC has learned of several incidents where bank customers have been asked to provide citizenship information. One couple from Maryland received a letter in the mail from their bank, but didn't think they needed to respond, after 20 years of being customers, and were eventually called by the bank to confirm the husband's dual citizenship. A man from Tennessee received a similar letter asking to confirm his citizenship, while another couple in Kansas City had their accounts closed unexpectedly when they did not respond to their bank's request for information.

Banks can and should repair their relationship with immigrant communities by addressing these issues.

This guide includes recommendations that provide mutual benefit for immigrant communities and financial institutions alike, within the legal requirements banks must comply with.

There is no federal or state requirement that banks exclude immigrants from their customer base or deny services on the basis of immigration status.

[1] The Trump administration has proposed using receipt of certain social services to establish that a person may be a "public charge" and deny them legal permanent residency or citizenship.

The California Reinvestment Coalition (CRC) consulted nonprofit members, partners, and allies, including financial services providers, to develop recommendations for banks on how to better support immigrant clients in the current political climate.

We urge banks to:

- Offer safe and affordable financial services for unbanked and underbanked immigrants, including accounts that will not overdraft with daily purchases, and offer loans to help finance immigration fees, so that families will not need to turn to predatory services.

- Adopt immigrant-friendly consumer banking practices, such as expanding the forms of identification that can be used to open accounts; earning and guarding the trust of immigrant customers by not asking about immigration status; and informing customers of their privacy rights.

- Become resources for immigrant community members, partner with trusted community leaders and organizations who can help customers develop personal financial plans for immigration-related events, and help customers avoid predators and fraudsters who prey on the most vulnerable in times of crisis.

TABLE OF CONTENTS

BANKS CAN AND SHOULD MEET THE FINANCIAL SERVICES NEEDS OF UNBANKED AND UNDERBANKED IMMIGRANTS

California's immigrants are a thriving, culturally and economically diverse population who play a central role in the success of our state. Like immigrants across the country, this community is being targeted for unprecedented attacks on their security. Five days after being sworn into office, President Trump signed an executive order that shifted the focus of deportation efforts from those convicted of felony crimes to anyone living in the country without proper authorization.[2]

The historical complexity of immigration law and recent extreme shifts in policy have made many immigrants fear they or someone in their family will be targeted for investigation, detention, loss of work authorization, and even denaturalization - the stripping away of citizenship.[3]

Crisis, and fear of crisis, puts families on unstable financial ground. Member organizations from the California Reinvestment Coalition (CRC) have reported that many individuals from immigrant communities they serve fear detention or deportation, and thus are scared to go to work, access services, and even complain about illegal treatment, such as harassment by landlords.[4]

Some CRC members report a concerning drop-off in client demand due to clients going "underground;" some immigrants are losing income and foregoing access to material resources that would help them in case of an emergency. CRC members have learned of banks requesting forms of identification that establish customers' citizenship or legal permanent residency and reported that many individuals have considered closing bank accounts for fear of being deported and losing access to their money.

In this context, financial institutions have an opportunity to become trusted partners by providing expert advice about how to financially prepare for the unknown.

Now more than ever, immigrants need access to safe, affordable, culturally and linguistically appropriate financial services so that they do not need to turn to predatory products in times of crisis.

To do this well, bankers should learn and understand the diversity in immigrant populations and the financial considerations that are important to these consumers, while recognizing that diversity usually exists even among individuals in the same immigrant community.[5]

According the Public Policy Institute of California:

- As of 2016, there are more than 10 million immigrants in California, representing 27% of the state's population. This is about double the U.S. percentage.

- One of every four foreign-born individuals in the US lives in California; about eight in every ten immigrants (79%) in California are working-age adults, aged 18 to 64.

---

[2] Jennifer Medina, "Trump's Immigration Order Expands the Definition of Criminal," The New York Times, January 26, 2017.
[3] Brittny Mejia, "Under Trump, the Rare Act of Denaturalizing U.S. Citizens on the Rise," L.A. Times, August 12, 2018.
[4] Kevin Stein, "Hiding in Plain Sight: How Rhetoric and Policies are Hurting California's Immigrant Communities and Families," California Reinvestment Coalition, September 2017.
[5] Kristopher M. Rengert and Sherrie L. W. Rhine, "Bank Efforts to Serve Unbanked and Underbanked Consumers: Qualitative Research," The Federal Deposit Insurance Corporation: The Division of Depositor and Consumer Protection, May 25, 2016.

- Many immigrants belong to mixed-status families, where some family members, such as a spouse or children, have legal authority to reside in the U.S. or work for pay while others do not. Almost half of the immigrants in California are naturalized US citizens, and another 26% have some other legal status, with about a quarter of California immigrants undocumented. Half of the children in California have at least one immigrant parent.

- California's immigrants mostly hail from Latin America (52%) or Asia (39%), with Mexico, China, the Philippines, India, and Vietnam as the leading countries of origin. In recent years, there has been an increase in immigrants arriving from Asia and a decrease from Latin America.[6]

In a recent publication, the National Federation of Community Development Credit Unions found that many immigrants are in their prime years for starting families and need financial products and services.[7] This population growth will drive more demand for small-dollar credit and financial services.[8] Recommendations by the FDIC emphasize that offering an appropriate menu of products and services to meet the needs of the local community can serve as "gateway" products for clients that may be interested in establishing long-term relationships with their bank.[9]

Immigrants also fuel much of California's small business growth. Immigrants make up 38.4% of California entrepreneurs, even though they represent 27% of the state's population.[10] In 2014, their businesses generated $20.2 billion in income. In 2007, firms with at least one immigrant owner provided jobs to almost 1.5 million people.

Banks have an opportunity to provide capital financing to immigrant owned businesses whether they be one-person operations or growing enterprises that create jobs for others. They can do so directly as well as through non-profit lenders who can help businesses become bank-ready.

In worst case scenarios, financial institutions have a critical role to play in helping families prepare their finances and manage their assets in case of deportation. Nonprofits have already prepared helpful materials that banks can make available. Banks would be wise to partner with local service providers to help families set up financial contingency plans. Organizations like Appleseed, Texas Appleseed, UnidosUS, and Mission Asset Fund have helpful resources.

---

[6] Hans Johnson and Sergio Sanchez, "Immigrants in California," Public Policy Institute of California, May 2018.
[7] "Beyond Financial Access: Striving for Immigrant Financial Inclusion," The National Federation of Community Development Credit Unions, July 2017.
[8] Sabrina Terry and Lindsay Daniels, "Small Dollars for Big Change: Immigrant Financial Inclusion and Access to Credit," UnidosUS, May 24, 2017.
[9] Rengert and Rhine.
[10] "The Contributions of New Americans in California," New American Economy, August 2016.

BANKS SHOULD OFFER ACCOUNT AND CREDIT SERVICES THAT PROMOTE FINANCIAL INCLUSION

Possibly the biggest barrier for immigrants who are considering opening a traditional bank account is the lack of affordable products and services on the market. Financial inclusion strategies designed for immigrant communities must include plans to develop safe and affordable products that address the needs of the community. Financial institutions should meet immigrants where they are. Partnerships with community organizations can help connect immigrants to in-demand products and inform banks what programs or products are needed.

Safe, Affordable Accounts Are Critical

At a minimum, banks should offer immigrant clients account services that meet the Bank On National Account Standards or CRC's SafeMoney Standards. Both sets of standards emphasize the importance of safe and affordable accounts and advocate for the acceptance of alternative IDs.

First and foremost, the accounts should be safe, free of "gotcha" or spiraling fees such as overdraft fees that can quickly send account owners into debt they cannot repay, leading to involuntary account closure and blacklists that prevent consumers from opening accounts at other institutions.

Banks that offer BankOn or SafeMoney accounts have agreed not to allow overdraft for debit charges and are therefore much more predictable and affordable than other accounts. For immigrants living on a thin financial margin, this is key.

Accept a Variety of Nontraditional IDs

Banks have historically limited acceptable forms of ID to driver's licenses and social security cards, which some immigrants may not have for reasons that may be unrelated to immigration status. As a result, many immigrants believe they cannot open an account if they do not have these types of ID. Banks have an opportunity to expand the forms of identification that they will accept to open an account, and thus increase their immigrant customer base.

Fortunately, banks may accept an expanded list of forms of ID including individual taxpayer numbers (ITINs), passports, consular IDs, or other government-issued identification documents. Banks can safely expand the types of IDs they accept, and do so safely while complying with federal "Know Your Customer" (KYC) legal requirements.[11]

These requirements do not prohibit any particular form of ID provided that they include the customer's name, date of birth, address, and identification number.[12] There is no reason to establish citizenship or immigration status to verify identity.

In fact, banks' customer identification programs may use a variety of documentary or non-documentary means sufficient to establish a reasonable belief that the bank knows the true identity of each customer. Personal accounts, even those belonging to individuals with unknown immigration status but who nonetheless can establish that they live in the

[11] "... a bank's procedures may permit any unexpired, government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard." 2015 Joint letter from the Board of Governors of the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Financial Crimes Enforcement Network.

[12] 31 CFR 1020.220(a)(2).

U.S., require only "generic, threshold monitoring."[13]

Banks do not need to establish the immigration status of their customers. In fact, financial institutions that ask customers to establish their U.S. citizenship or legal permanent residency risk violating state and federal civil rights laws. The Civil Rights Act (42 U.S.C. § 1981) prohibits discrimination based on alienage in the opening of bank accounts, and the California Unruh Civil Rights Act (Cal. Civ. Code §§ 51-52) provides protection from discrimination based on national origin, citizenship and immigration status by all business establishments in the state. As such, a bank could face a legal challenge if it, for example, excluded all non-green card holders or non-citizens, as a matter of policy.

Original research by Dr. Terri Friedline conducted for CRC, through the University of Kansas and in conjunction with the New America Mapping Financial Opportunity Project, reveals that about one third of banks reported accepting consumers' alternate forms of identification for providing products and services. [14] Thirty-six percent of banks accepted non-US passports, 36% accepted tax ID numbers, and 34% accepted matrícula consulares or embassy IDs. Sixty-two percent of banks confirmed that they accepted these forms of ID in combination with any other government-issued ID, such as a driver's license or state ID.

Confirming the wide latitude that banks have regarding ID, Dr. Friedline's data indicates that bank employees in supervisory positions were more likely to report accepting alternate IDs than their non-supervisory counterparts. In fact, bank staff holding supervisory positions are nearly 400% more likely than non-supervisory staff to accept tax ID numbers. This means that while bank employees use discretion in deciding whether or not to accept customers' alternate IDs, immigrant customers may need to elevate their request for services to someone in a supervisory role.

CRC strongly recommends that banks embrace the flexibility the laws provide, and train branch staff to accept a wider array of IDs as a matter of policy, not merely discretion.

The San Francisco Office of Financial Empowerment has a resource showing which banks accept various forms of identification used by customers of varying immigration status and from different countries.

Offer Second-Chance Accounts

Second-chance accounts and loans offer an opportunity to re-enter the banking system for those who have previous bad experiences or were pushed out.

Unfortunately, costly bank fees such as overdraft fees that pile up and become a hardship and other common bank practices have had the effect of destabilizing families. Across the country, millions of bank customers, regardless of immigration status, have had accounts closed involuntarily when they could not afford to pay these fees. Many banks reported those customers to consumer reporting agencies, like ChexSystems, that banks use to screen future customers and are similar to credit reporting agencies.[15]

Banks can offer "second-chance" accounts to customers who have been previously reported to ChexSystems and locked out of accounts. Second-chance accounts allow customers to upgrade to a traditional checking account by avoiding negative balances and fees for six months to a year.

---

[13] Federal Financial Institutions Examination Council's 2014 Bank Secrecy Act/Anti-Money Laundering Examination Manual, Appendix K ("Customer Risk versus Due Diligence and Suspicious Activity Monitoring"). See also, IRS rules at 26 CFR 301.7701(b)-1(c), which defines when a legal alien individual satisfies the substantial presence test for residency.

[14] According to the responses of 1,625 banks who completed a survey between March and December 2016.

[15] Spencer Tierney, "Second Chance Checking Accounts Across the U.S.," Nerdwallet, March 16, 2017.

Accounts that meet national BankOn or CRC's SafeMoney standards also work for this purpose: banks that offer these accounts have agreed not to deny customers unless they have actually committed fraud or have an active, unpaid debt to the bank.

Make Accessing Government Assistance Easy

Financial institutions should make it easy for immigrant clients who receive safety net cash assistance, for example, the California Cash Assistance Program for Immigrants (CAPI) or the California Refugee Cash Assistance program, to do so electronically to their account automatically every month.

These benefits can already be deposited electronically to personal accounts and most accounts have the capacity to receive them; nonetheless, most recipients of state assistance are not aware of this, or of the benefits of doing so, which include avoiding significant transaction fees, increased privacy, and better money management options.[16]

In addition, banks should not charge ATM fees on state electronic benefit transfer (EBT) for families who are eligible for such benefits. Withdrawal fees for accessing EBT benefits can be high; in California approximately $19 million a year is spent on these fees.[17] Banks that waive these fees may receive credit in the services test portion of their Community Reinvestment Act exams.

Provide Safe Remittance Services

An important financial priority for many immigrants is the ability to send money back to their home countries to support their families and loved ones. Financial institutions that participate in payment systems or networks that enable clients to access funds abroad by phone or internet should make sure to communicate these offerings to consumers. Banks should be clear about fees for withdrawals outside the U.S., exchange rate differences, and the difference in costs and logistics between a domestic wire transfer versus an international wire transfer.

Banks are encouraged to develop resource guides that help immigrant clients navigate how to access and send funds abroad, including a list of countries where the financial institution's ATM cards work and the people who can be joint owners on the account so that multiple family members or trusted friends can access funds across locations. Clients may also benefit from instructions on how to sign up for online banking so that they can manage their money from anywhere.

Offer Affordable Credit

There are many reasons why immigrants may need a loan, whether to pay for immigration application fees, financial emergencies such as paying bond for a family member in detention, to purchase a home, or to start or expand a small business. Banks can do all of the above safely.

Help Customers Finance the Cost of Immigration-Related Fees

Research demonstrates that high fees are one of the most cited barriers for why individuals who qualify do not apply for citizenship.[18] Similarly, application fees for other immigration status adjustment and administrative relief, such as Deferred Action for Childhood Arrivals (DACA), family reunification petitions, and re-entry permits, are expensive - ranging from $500 to $5,000 per application, and usually do not have a fee waiver option. In time-sensitive situations, a client may need a loan quickly.

Unfortunately, families can easily access predatory products that end up costing much

---

[16] Andrea Luquetta-Kern, Building Trust, Easing Access, Overcoming Barriers: Improving Delivery of Cash Aid to Low-Income Families, California Reinvestment Coalition, September 2017.
[17] "The $19 Million ATM Fee," California Reinvestment Coalition, March 2014
[18] Terry and Daniels.

more money than a product offered by a bank. For example, lenders licensed under the California Finance Lender Law can charge any rate they want, including triple digit interest rates, for loans above $2,500, which is why advertisements targeting financially marginalized communities advertise loans starting above that amount.

Immigrants who pay for their application fees through predatory products can get caught in a debt cycle, which impacts their goals for long-term financial stability.

Loan products that offer low or no application fees and affordable interest rates create small monthly payments that are more manageable for low-income borrowers.

A good industry standard for banks making loans would be an APR of 36% or below, a cap that is already recognized in 15 states and by Congress through the Military Lending Act. This type of loan cap helps to make sure the borrower can actually repay the loan.

Safe loans to finance immigration applications are available through community organizations, like Mission Asset Fund and Self-Help Federal Credit Union, both of which provide no-interest loans for some application fees. Additionally, several financial institutions have created ITIN loans and reached out to immigrant communities to make sure that they realize, regardless of documentation status, that they can qualify for a loan.[19]

Help Customers Build or Rebuild Their Credit

Banks should offer loans and credit products that help families build or rebuild their credit so that they can afford to make large or emergency purchases safely, without resorting to predatory services.

Self-Help Federal Credit Union' Fresh Start Loan is for those who may not have very good credit and cannot get a traditional loan. When a client borrows money, it goes into their savings account. When they pay it off, they earn dividends and receive points from the credit agencies, which allows them to build or improve their credit history.

In fact, a study in 2016 demonstrated that 70% of borrowers increased their credit score after taking out a Fresh Start loan.[20]

Secured credit cards can also be very helpful towards re-establishing good credit. Customers deposit a sum of money that represents the amount of the credit line, often around $500. This is held in a bank account, while the customer uses the card and pays new balances monthly with other funds.

Monthly payments are reported to credit bureaus thus impacting the customer's credit history and credit score. These cards should have affordable rates and often require coaching through local nonprofit partners that can help ensure that customers maximize their credit building opportunities.

---

[19] "Beyond Financial Access."
[20] Sarah Wolff, "Providing A Fresh Start: An Analysis of Self-Help Federal Credit Union's Fresh Start Product," Self-Help Federal Credit Union, February 2016.

BANKS SHOULD PROMOTE HELPFUL PRODUCTS AND SERVICES THAT MAKE BANKING SAFE AND EASY

Many low- and moderate-income communities have limited resources for accessing personal finance education and depend on family or friends for financial advice.[21] Banks must proactively communicate and offer products and services to the clients who need them, instead of having an "if we build it they will come" mentality. For example, the FDIC found that many people are unaware of the availability of low-fee checking accounts offered by banks in their area.[22] In a 2017 study, the National Federation of Community Development Credit Unions found that many clients didn't understand what their financial institution offered, or products were not sufficiently explained. This information gap led clients to make large purchases in cash or seek financing from other high-cost entities.[23] In fact, the same report found that found that 44% of their members still rely on alternative financial services for several of their primary financial service needs such as check cashing or securing a car loan.

Branches Should Be Accessible, Helpful, and Comfortable Places

Financial institutions should preserve and increase the number of physical locations in neighborhoods with a high concentration of immigrants.[24] While many transactions are available online, many consumers still prefer to bank in person.

Banks should invest in building personal relationships with a focus on providing high quality and high-touch customer service and offer nontraditional hours and days of operation to accommodate diverse schedules of their immigrant clients.

Branch staff should include people who understand the challenges and experiences immigrant clients face "because many of them have either experienced the same situation first-hand, or they have seen their own families' struggle adjusting to a new environment."[25] Predatory lending companies, such as payday lenders, tend to hire from the community and often employ immigrants, making them highly culturally competent with their targeted customers.[26] Additionally, their locations are strategically located near public transportation and other high-traffic locations for convenience and accessibility.

Clients have cited that they feel more comfortable at these alternative financial service providers because the dress and language of the employees is like that of the clients themselves.[27]

Relationships with bankers and tellers can be vital to making clients feel comfortable and confident that they are using a reliable service. Everyone in the branch that interfaces with a client, from front-line tellers to member service representatives, should be involved in assisting the customer find the right products for them and helping them access the appropriate financial resources.[28] These connections are the biggest factors for engagement and retention, which will help a bank's long-term success in the community.

---

21 "Banking in Color: New Findings on Financial Access for Low- and Moderate-Income Communities," National CAPACD, 2014.
22 Rengert and Rhine.
23 "Beyond Financial Access."
24 "Banking in Color."
25 "Beyond Financial Access."
26 Terry and Daniels.
27 Rengert and Rhine.
28 "Beyond Financial Access."

Financial institutions should provide materials in the languages spoken in the immigrant communities they serve, use simple language and refrain from using acronyms or other industry jargon when discussing account features and fees.[29]

Bank branches with bilingual staff are able to build trust quickly and are perceived to have reliable sources of information for immigrant communities. In-language branch services are vital for monolingual non-English speakers. Dr. Friedline's data reveals that currently, less than 30% of banks surveyed provide service in a language other than English. Regional and large banks, as well as banks in rural communities, are less likely to offer non-English language services than smaller community banks. Banks that serve communities with a higher percentage of Latinos or foreign-born residents are only slightly more likely to offer non-English services (4% and 1%, respectively), while those with higher Asian populations are actually *less* likely to do so.

While online and mobile technology can be effective methods to increase access to and management of personal financial information, banks should not rely too heavily on these in communities that lack reliable and affordable internet access. When offered, apps and websites should be easy to use, not require customers to use limited data plan capability, and be available in their customers' preferred languages. Friendly branch staff can provide hands-on guidance for how to use banking technologies in branch.

Security of personal information is another key concern of immigrants when using online or mobile banking so it is important that strategies to increase technology use address this concern.

Community Members Should Be Able to Trust Branch Staff

Branch staff should be trusted community members who can answer questions and make local recommendations. They should never ask about customers' immigration status. There are no federal or state requirements that banks ask customers to establish or verify their immigration status. Banks choosing to do so risk violating civil rights laws and alienating customers who have few alternatives.

With one simple question regarding citizenship, these banks are undoing decades of work to develop trust and increase access to banking in underserved communities.

Rather, branch personnel should be able to explain that they do not collect information on immigration status and will not turn over their private information unless required to under very specific circumstances, such as with the prior authorization of the customer, a subpoena, summons or search warrant.[30]

Banks already provide notices at account opening of their privacy policies and practices to customers and consumers, including clear and conspicuous notice of when banks may disclose nonpublic personal information (publicly available information being any information a bank has a reasonable basis to believe is lawfully available to the general public such as through federal, state, or local government records or widely distributed media), and a reasonable opportunity to opt-out of such disclosure.[31]

---

[29] Rengert and Rhine.

[30] The federal Right to Financial Privacy Act governs the ability of federal government authorities to obtain customer information directly from banks, 12 U.S. Code § 3403. The RFPA does not apply to requests for information from state or local law enforcement agencies. See United States v. Zimmerman, 957 F. Supp. 94, 96 (N.D.W.Va. 1997); Salat v. Pirotto, 2015 WL 164442, at *7 (E.D. Cal. Jan. 13, 2015) (same). However, California's analogue prohibits state government agencies from requesting or receiving customers' financial records from banks in connection with a civil or criminal investigation unless process are followed that are similar to the RFPA. See Cal. Gov. Code § 7460 et seq.

[31] 12 CFR § 1016

California rules are even stricter about confidentiality of nonpublic information- customers must be afforded the opportunity to *opt-in* to disclosure to non-affiliated third parties.[32]

In addition, branch staff should make sure that customers know who to contact and how to manage accounts and loans in case of a financial emergency, such as a sudden loss of income, or what to do if an account owner or borrower is not available to make decisions.

For example, branch staff should periodically verify that authorization and contact information for all joint account owners and joint borrowers is up to date so that if one person becomes unavailable, others can be reached.

Financial institutions should nurture long-term relationships with local community partners. Trusted community organizations play a vital role in disseminating information on a wide range of financial topics to immigrant communities, and they provide bilingual and bicultural support.[33]

According to UnidosUS, "partnerships between financial institutions and immigrant-serving organizations allow immigrants to learn about financial resources in a familiar setting and establish referral pipelines for lenders."[34]

Effective partnerships require a deep level of engagement, including regular communication to ensure that all parties share common, or at least complementary goals. Frequent and clear communication between bank and community organization leadership personnel about shared goals and metrics is necessary for a successful relationship. Strong partnerships will help the financial institution hear early about problematic behavior by bank staff, unresponsive policies, or unmet consumer needs, and then be able to respond quickly.

Branch and regional managers should be talking frequently with local community leaders to understand changing immigrant financial needs and support local efforts to strengthen the community's economic power.

Every immigrant community has unique needs that financial institutions should take into consideration as they approach how best to support their local and potential customers.

In some communities, there may be a notable presence of youth who are protected by the Deferred Action for Childhood Arrivals (DACA) policy created by the Obama administration. The policy provides administrative relief for eligible undocumented immigrants who came to the U.S. as minors to receive protection from deportation and a work permit for a renewable two year period. DACA youth and their parents may have special financial needs, such as saving up to pay DACA renewal fees or for other immigration status adjustments.

In other areas, there may be a high number of stable and successful entrepreneurs doing business with ITINs who need business loans.

Given the frequency of recent sudden and extreme policy changes, branch staff should be equipped with knowledge and resources that may be helpful to community members, such as "know your rights" material. Branch employees should be trained on what to do if Immigration and Customs Enforcement (ICE) comes to the branch.

Bankers Should Help Customers Avoid Predators and Frauds

Like other underserved communities, immigrants are vulnerable targets for fraud and exploitation. Bankers should be able to steer customers away from dangerous predators and toward safer options.

[32] Cal. Fin. Code §§ 4052.5, 4053
[33] "Banking in Color."
[34] Terry and Daniels.

For example, if a customer is considering giving someone power of attorney to manage their accounts and debts as part of their financial contingency plan, bankers should be able to explain that this is a difficult decision to revoke once authorized.

If clients are considering choosing an intimate partner to be their power of attorney, they should consider the ramifications of that relationship dissolving. In a guide for practitioners assisting immigrant families, Appleseed noted that, "many service providers have seen immigration status used as a means of control and coercion by abusive partners."[35]

Financial institutions should emphasize to clients that only licensed attorneys can give legal advice in the United States. Refer them to immi.org or americanbar.org to find a qualified attorney.

This is incredibly important because community partners have noted many cases where members fall victim to fraudulent immigration legal services. Immigrants have lost thousands of dollars to individuals posing as licensed professionals who promise to help them with proper documentation. Clients should be advised to be cautious of immigration legal services and inquire about an institution's credentials.

Notarios are one example of this type of scheme. The Spanish term *notario publico* can be problematic when advertised in the U.S. because it creates an opportunity to deceive immigrants. "Notario publico" literally translates to "notary public." The American Bar Association explains that although in the U.S. a notary public is authorized only to certify signatures on documents, in many Latin American countries the term "refers to an individual who has received the equivalent of a law license and who is authorized to represent others before the government."[36]

Unfortunately, some notary publics take advantage of the mistranslation to commit fraud and offer high-fee, unlicensed services to families with scarce resources.

STANDING ON THE RIGHT SIDE OF HISTORY

Banks have a choice to make. Those that value financial inclusion must direct concentrated attention towards the needs of immigrant communities. Unresponsive or hostile behavior by banks make immigrant communities justifiably wary of using financial services that they very much need. This guide provides practical recommendations that have the potential to transform relationships between American financial institutions and immigrants.

Banks should promote financial inclusion by developing safe and affordable financial services for unbanked and underbanked immigrants, so that they don't need to turn to predatory businesses. First and foremost, financial institutions should adopt immigrant-friendly consumer banking practices, such as expanding the forms of identification that can be used to open accounts, and making affordable credit easily accessible in immigrant communities, especially for immigration administrative needs.

Many banks have a legacy of welcoming immigrant customers, who, as new entrants to the economy, can become valuable customers for generations to come. Today, banks can choose to view immigrants as an untapped market and source of future growth.

[35] "Protecting Assets and Child Custody in The Face Of Deportation: A Guide For Practitioners Assisting Immigrant Families," Appleseed, May 2012.
[36] "About Notario Fraud." The American Bar Association.

Banks should develop thoughtful and robust strategies to support immigrant financial health. Bankers at all levels should invest time into learning about immigrants’ financial needs, especially by partnering with trusted local community organizations and by delivering services through culturally and linguistically competent channels. More than ever, banks have an opportunity and responsibility to promote the financial futures of immigrant communities across the country through concrete action.