

Immigrant Banking: *Reaching the Latino Population in Louisiana*



"Issues of public safety, investment in the local economy, and access to asset-building opportunities within the Latino community are linked to access to banking services. This report highlights the importance of creating greater access to banking services for members of the Latino community who are most apt to avoid banking services not because of their lack of comfort with banks, but because of their general belief that services do not exist for them."

- Lucas Diaz,
Executive Director,
Puentes New Orleans, Inc.

"The FDIC is pleased with the survey report conducted by Louisiana Appleseed on the local Latino market, which complements our national Alliance for Economic Inclusion (AEI) Initiative. Enhancing the economic well-being of Latino families, other underserved populations and working with financial institutions and other partners like Appleseed to bring more of the currently underbanked and unbanked into the financial mainstream is important to the FDIC. The FDIC is focused on expanding banking services to immigrant and underserved markets including affordable remittance products, targeted financial education programs, affordable small-dollar loans with a savings component and other asset-building programs."

- Clinton Vaughn, Jr., Community Affairs Officer,
Memphis Area Office Dallas Region
(AR, LA, MS and TN)

"In these difficult economic times it is more important than ever to enable hardworking immigrants to obtain access to the banking system so that they can save and prosper as prior generations of immigrants have on their way to realization of the American dream. Skadden is pleased to team with Appleseed in forging an enduring partnership with banks and financial system regulators to remove barriers to access to the financial system for recent immigrants helping to revitalize New Orleans."

- Andrew Sandler,
Partner, Skadden, Arps, Slate, Meagher & Flom LLP

Louisiana Appleseed

A nonprofit network of 16 public interest law centers in the U.S. and Mexico, Appleseed is dedicated to building a society where opportunities are genuine, access to the law is universal and equal and government advances the public interest.

Louisiana Appleseed uncovers and corrects injustices and barriers to opportunity through legal, legislative and market-based structural reform. Working with our pro bono network of attorneys and other professionals, we identify, research and analyze social injustices, make specific recommendations and advocate for effective solutions to deep-seated structural problems. Together, Appleseed and Appleseed Centers form a network for positive change, building a society that provides each individual access to justice and a genuine opportunity to lead a full and productive life.

Louisiana Appleseed and its volunteers form coalitions with numerous local and statewide nonprofits, state agencies and universities. Together, they create solutions for Louisiana on complex public policy issues in topics such as mental healthcare, education, housing and employment.

Immigrant Access to Financial Institutions

Appleseed and its Centers collaborate on several national projects. The Immigrant Access to Financial Institutions Project is one of Appleseed's most successful, gaining both national and international recognition.¹ Appleseed began the project in 2004 and soon developed it into a major initiative. Today, the project continues to improve the access of Latino immigrants to mainstream banking institutions around the country by ensuring that financial institutions understand the needs of the immigrant market and that the immigrant market has the tools to make better financial decisions. Appleseed reaches the unbanked immigrant population by conducting studies on immigrant banking experiences and advocating specific solutions to problem areas, highlighting successful financial institution initiatives and distributing financial education brochures to communities across the nation.

¹ Annette LoVoi, Congressional Testimony, House Financial Services Committee about the need for financial fairness for immigrants, specifically through Appleseed's Fair Exchange Program. http://www.house.gov/apps/list/hearing/financialsvcs_dem/hlovoi051701.pdf; Ann Baddour, Texas Appleseed Senior Policy Analyst, panelist at the INAFI Global Conference on Microfinance, Remittances and Development, Cotonou, Benin, November 7-9, 2007.



The Louisiana Immigrant Access to Financial Institutions Project

With the increase in the Latino population following Hurricanes Katrina and Rita, Louisiana Appleseed recognized the need to begin an Immigrant Access to Financial Institutions initiative in the area. Based on the work of other Appleseed Centers, Louisiana Appleseed developed a project to connect financial institutions with the necessary information to serve the growing Latino population. The project consisted of three phases: research, analysis and advocacy.

In the research phase, Appleseed assessed the needs of the immigrant community for financial products and services and explored any barriers in utilizing the mainstream banking institutions. To gather this information, Louisiana Appleseed followed three steps: 1) surveying local financial institutions to discover existing products and services, 2) surveying the local immigrant population to assess specific financial needs and 3) conducting immigrant focus groups to discuss the realities of immigrant banking.

In the analysis phase, Louisiana Appleseed compiled the information and gathered it into this report. Louisiana Appleseed is distributing it to area banks and credit unions. By utilizing this information, area institutions can expand their sources of revenue by customizing products and services to the unique needs of the local Latino community. Appleseed also anticipates collaborating with area nonprofits in future financial literacy initiatives. Moreover, attorney volunteers have begun advocacy efforts at the national level that will have local impact. Appleseed is opening a dialogue between federal regulators and area financial institutions that focuses on delivering additional products and services to the Latino community, particularly addressing the acceptance of foreign identification.

“Yes, sometimes that is what happens - the banks don’t have anyone that speaks Spanish ... they tell me in English and I don’t understand. To me, that is the problem - they don’t have many services in Spanish.” - Focus Group Participant



Immigrant Banking:
Reaching the Latino Population in Louisiana

PREFACE

Since the beginning of this project, the United States Gulf Coast region has suffered considerable damage again during hurricane season. Within a two-week period in September 2008, Hurricanes Gustav and Ike devastated coastal and inland areas of Louisiana and Texas, destroying homes businesses and infrastructure. Although the damage differed in scope and scale from Hurricane Katrina, recovery from the storms will take significant time, cost and labor. Considering past immigration trends and the region's current population, it is probable that immigrants will perform a large portion of the rebuilding and recovery tasks. Although this report addresses the financial needs of the New Orleans area Latino community post-Katrina, any area faced with a significant increase in immigrant population can utilize the concepts and suggestions presented.

FOREWARD

Immigrant Banking: Reaching the Latino Population in Louisiana presents the research and findings on immigrant banking experiences in the New Orleans area.² The report is part of Louisiana Appleseed's larger Immigrant Access to Financial Institutions Project, the purpose of which is to improve the access of Latino immigrants to mainstream financial institutions. Particularly, the report encourages area banks and credit unions to adopt policies and practices that will better meet the needs of Latino immigrants.

The local Immigrant Access to Financial Institutions Project began as an initiative targeting the unbanked and underbanked in general. However, after initial research and contact with other area nonprofits, it became apparent that other organizations were addressing many needs of this target population. At the same time, research indicated an absence of initiatives focused on reaching the Latino immigrant community. Louisiana Appleseed then narrowed its Access to Financial Institutions Project to concentrate on the area's unbanked Latino population.

The project's research focused on the New Orleans area, which experienced a large increase in its Latino population after Hurricane Katrina. However, financial institutions throughout the state can effectively use the report's best practice outreach methods to expand their services to Latino immigrants and the unbanked or underbanked, regardless of their ethnicity.



² The report is provided as a public service but is not intended to constitute legal advice. Financial institutions are strongly urged to confer with counsel in evaluating these issues.

ACKNOWLEDGMENTS

Louisiana Appleseed sincerely appreciates the efforts of project manager and primary author Jeannine Sullivan. Without her leadership, dedication and pro bono generosity, this report would not be possible.

Over the course of eighteen months, many people and organizations dedicated their time, effort and expertise to the project. Louisiana Appleseed is grateful to have collaborated with so many and wishes to sincerely thank the following for their roles in producing this report:

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Capital One Bank
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First Bank & Trust
Liberty Bank & Trust
Metairie Bank
Omni Bank
Regions Bank

ASI Federal Credit Union
Greater New Orleans Federal Credit Union
Hope Community Credit Union
Riverland Credit Union



³ While we were unable to survey each and every bank and credit union in the area, we welcome input from other area financial institutions and would appreciate their future involvement in this project.

TABLE OF CONTENTS

Executive Summary 1

Immigrant Banking: Reaching The Latino Population In Louisiana 3

 I. Introduction 3

 A. Latino Immigrant Influx and Local Economic Importance 3

 B. Economic Potential of the Immigrant Market 3

 C. Benefits of Reaching the Unbanked 4

 II. Immigrant Access to Financial Institutions Project: Research and Analysis 6

 A. Financial Institution Surveys 6

 B. Latino Immigrant Outreach – Surveys 8

 C. Latino Immigrant Outreach – Focus Groups 12

 III. Best Practice Outreach Methods 13

 A. Local Advocacy and Best Practice Outreach Methods 13

 B. Case Study: One Local Outreach Initiative 17

 C. National Advocacy Efforts 17

IV. Conclusion 18

Appendix 1: FINANCIAL INSTITUTION SURVEY 19

Appendix 2: FINANCIAL INSTITUTION SURVEY RESULTS 22

Appendix 3: SURVEY OF IMMIGRANTS AND THEIR USE OF BANKING SERVICES 24

Appendix 4: IMMIGRANT OUTREACH SURVEY (SPANISH) 29

Appendix 5: IMMIGRANT SURVEY COMPILATION 35

Appendix 6: NEW ORLEANS AREA LATINO ORGANIZATIONS 42

Appendix 7: IMMIGRANT FINANCIAL EDUCATION RESOURCE GUIDES 43



EXECUTIVE SUMMARY

Following Hurricanes Katrina and Rita, Louisiana became home to many Latino immigrants who arrived soon after the storm and provided the labor vital to the recovery and rebuilding of the state. This caused a shift in the demographic characteristics of southern Louisiana. Although exact numbers are difficult to determine, local advocates believe between 100,000 and 150,000 Latinos live in the area, compared to an estimated 60,000 to 100,000 prior to Hurricane Katrina.

The new and growing population of Latinos in Louisiana presents an important opportunity for financial institutions. Effectively reaching this population allows local banks and credit unions to access a new and growing customer base and harness the intangible benefits of a more integrated community. Increasing Latino access to mainstream financial services promotes economic stability of the community, which is essential as the state continues to recover.

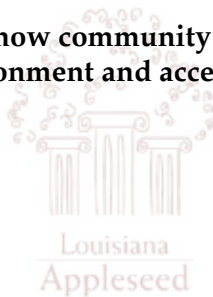
A more financially literate Latino population will contribute to the prosperity of the area and its revitalization because families will be able to build credit, start savings, purchase homes, obtain loans and pursue education. Instead of spending money on high fees charged by alternative financial services, immigrants will be able to reinvest in the community by contributing the savings to the local economy.

Surveys of participating local banks and credit unions revealed that the majority of the institutions recognized the opportunity of this growing population but differed as to the degree and sophistication of their outreach, policies and programs. All of the banks and credit unions indicated a desire to understand the financial needs of the Latino community and strategies used to attract them as customers.

Local Latino immigrants participated in surveys and focus groups as well. They revealed, among other things, their opinions about and information about their use of U.S. banks, credit unions and alternative financial services. The participants indicated a desire for numerous financial products and services customized to fit their needs, such as offering remittance products, accepting foreign identification and training bank employees to be conscious of cultural differences and accepting of their business.

Immigrant Banking: Reaching the Latino Population in Louisiana is designed to describe the unique circumstances surrounding the need for the Immigrant Access to Financial Institutions program in Louisiana. It provides an overview of the immigrant influx following Hurricane Katrina and highlights the economic importance of immigrants both locally and nationally. The report describes the methodology of our research and analyzes the data gathered from surveys and focus groups. Suggesting many methods of outreach, the report provides a discussion of numerous best practices that can be utilized in attracting members of the Latino population, such as the following:

- **Community Engagement: get to know community organizations; address language barrier issues; provide a welcoming environment and accessible hours at local branches.**



- **Banking Outside the Branch:** bring the bank or credit union closer to its market by opening branches in locations such as high schools, community centers and grocery stores.
- **Cross-Selling Services:** provide services that potential clients might find useful in addition to traditional banking services.
- **Accept Alternative Forms of Account Opening Identification:** establish consistency in accepting alternative forms of identification and train staff to ensure consistency.
- **Financial Education:** locate, produce and distribute financial education materials and participate in financial education programs throughout the community.

Adopting these methods to increase immigrant access to mainstream financial institutions will benefit and provide opportunities to all – area banks and credit unions, the local Latino population and the community at-large. By customizing products and services to fill the financial needs of the local Latino community, banks and credit unions will not only build their customer bases but also build a more integrated community capable of making better-informed financial decisions. As these informed members of the immigrant community continue to live and work in the area, they will significantly contribute to the city's economic, cultural and general well-being.

"I would like to experiment with putting my money in a bank. I live here and many times one comes to this country alone and starts a family ... having the opportunity to open a bank account is much better because one way or the other we have to make sure our kids go to school and make a life here – buy a house, etc" - Focus Group Participant



IMMIGRANT BANKING: REACHING THE LATINO POPULATION IN LOUISIANA

I. Introduction

A. Latino Immigrant Influx and Local Economic Importance

Following the hurricanes of 2005, much of New Orleans' population evacuated to areas around the country with no means to return, hindering the cleanup and recovery efforts. Initially, the city emerged almost 64 percent smaller because of an estimated population loss of 278,833.⁴ The post-Katrina population could not provide the extraordinary need for reconstruction workers. Within weeks, immigrant workers arrived in the area to fill the need for labor and to begin the immense task of debris removal and reconstruction.

As tens of thousands of Latino workers flocked to the city, they soon provided the "muscle and skills" of the reconstruction effort, supplying labor to rebuild.⁵ Martin Gutierrez, Executive Director of Neighborhood and Community Services, Hispanic Apostolate/Catholic Charities Archdiocese of New Orleans, has estimated as many as 150,000 Latinos now live in the metro region, an increase from about 60,000 pre-Katrina.⁶ The exact number of the Latino population is difficult to determine. However, the immigrant construction workers probably doubled the percentage of Latinos in the city to eight percent, not including any accompanying family members.⁷

A comprehensive study of more than 200 workers conducted in March 2006 by Tulane University and UC Berkeley highlights the importance of the population size.⁸ It found that 45 percent of the reconstruction workforce in New Orleans is Latino.⁹ Job vacancy data from the second quarter of 2007 indicates a continued job vacancy rate in high skill recovery-related jobs.¹⁰ Of the top five occupations experiencing labor shortages, three require recovery-related skills: architecture and engineering; installation, maintenance and repair; and building and grounds cleaning.¹¹ While the New Orleans metro area's unemployment rate has risen somewhat, it still remains relatively low compared to the rest of the country.¹² As the labor market remains tight, the immigrant workforce remains a vital link to regional economic recovery.

B. Economic Potential of the Immigrant Market

In a 2007 report, the United States Census Bureau indicated that Latinos were the largest minority group in the country accounting for 44.3 million people as of July 1, 2006, or 14.8 percent of the overall population.¹³ They retained this designation from the 2005 mid-decade report and the 2000 census.¹⁴

4 Rick Lyman, "Report Reveals Katrina's Impact on Population," The New York Times, June 7, 2006.

5 Andrew Vanacore, "Planners Craft Storm Evacuation Plans for Hispanics," The Times Picayune, June 22, 2008.

6 Emilie Bahr, "Hispanic Influx Translates into Language Barrier," New Orleans CityBusiness, July 23, 2007.

7 Joint report by the Payson Center for International Development and Technology Transfer at Tulane University and the International Human Rights Law Clinic and the Human Rights Clinic at University of California at Berkeley, "Rebuilding After Katrina: A Population-Based Study of Labor and Human Rights in New Orleans," June 7, 2006.

8 Ibid.

9 Ibid.

10 Amy Liu and Allison Plyer, The New Orleans Index, Metropolitan Policy Program at Brookings & the Greater New Orleans Community Data Center, August 2008.

11 Ibid.

12 The New Orleans metro area had a 4.9 percent unemployment rate in November 2008, compared to 6.5 percent national unemployment rate. www.BIS.gov/news.release/metro.nr0.htm.

13 "44.3 Million Hispanics Largest USA Minority Group," Hispanic News, May 12, 2007.

14 "Nation's Population One-Third Minority," U.S. Census Bureau, May 10, 2006.

With a 3.4 percent growth rate from July 2005 to July 2006, they were the fastest growing group.¹⁵ The United States Latino population is expected to triple in size between 2000 and 2050, and its purchasing power is expected to approach \$1 trillion by 2009.¹⁶

This population's potential economic contribution represents an important opportunity for financial institutions as they search for new sources of revenue. Experts projected a growth rate of 20.5 percent in asset accounts and 15.5 percent in debt accounts between 2001 and 2007.¹⁷ Remittances from the United States to Latin America reached \$45 billion in 2006.¹⁸ Specifically, Louisiana has experienced a 241 percent increase in remittances to Latin America since 2004, reaching \$208 million in 2006.¹⁹ Note that while remittance totals are important, the Inter-American Development Bank estimates that 90 percent of a remitter's income remains in the U.S. serving as a potential source of new deposits.²⁰ Some financial industry analysts believe that more than half of the United States' retail banking growth in financial services over the next twenty years will come from the Latino market.²¹

C. Benefits of Reaching the Unbanked

Immigrants are proving to be a vital component of both the national and Louisiana economies. A successful integration of this population into the mainstream financial services and away from the high-cost, non-bank financial services industry provides benefits to all.

According to the FDIC, about a third of the 40 million Latinos lack accounts at an FDIC insured institution, making it difficult to save, build credit, buy a home, pursue an education and build a better future.²² Without access to mainstream financial institutions, immigrants, as well as the unbanked in general, are prevented from becoming more productive, active members of society.

The Brookings Institution defines financial access as the understanding of financial options and having a choice of relevant products and services.²³ A joint report from the Federal Reserve of Chicago and the Brookings Institution concludes that financial access is closely linked to economic prosperity.²⁴ It argues that the well-being of the nation increasingly depends on whether immigrants' economic progress keeps up with their population growth.²⁵ A thriving community needs members that can educate their children, buy a home or start a business. It also found in areas where more members of the community are employed and have a bank account, homeownership rates are higher and crime rates are lower.²⁶

15 "44.3 Million Hispanics Largest USA Minority Group," Hispanic News, May 12, 2007.

16 Remarks of Martin J. Gruenberg, Vice-Chairman, FDIC, Inter-American Development Bank, Conference on Hispanic Immigration in the United States, Washington D.C., October 18, 2006; "Census Bureau Projects Tripling of Hispanic and Asian Populations in 50 Years, Non-Hispanic Whites May Drop to Half of Total Population," March 19, 2004; "Banks are Still Sizing Up Opportunities in the Growing Hispanic Market," FDIC Outlook, Winter 2004.

17 "Banks are Still Sizing Up Opportunities in the Growing Hispanic Market," FDIC Outlook, Winter 2004.

18 Ann Baddour, et al, "Banking in a Global Market: A Financial Institution Guide for Offering International Remittance Services," Appleseed, January 2008. <http://appleseednetwork.org/Portals/o/Documents/Publications/Banking%20in%20a%20Global%20Market%20report.pdf>.

19 Ibid.

20 Ibid.

21 "Banks are Still Sizing Up Opportunities in the Growing Hispanic Market," FDIC Outlook, Winter 2004.

22 Remarks by Chairman Donald Powell at the Kickoff Event of the FDIC's Hispanic Media Campaign Promoting Financial Literacy, June 9, 2005.

23 Anna Paulson, et al, "Financial Access for Immigrants: Lessons from Diverse Perspectives," Federal Reserve Bank of Chicago and the Brookings Institution, May 2006.

24 Ibid.

25 Ibid.

26 Ibid.



A recent report from the Americas Society and the Council of the Americas states succinctly the benefits of greater financial access and other factors that lead to full integration of Latino immigrants: “Achieving greater integration of Hispanics into the fabric of American society is a public policy imperative with obvious benefits for the corporate bottom line ... benefits of a more integrated Hispanic population include strengthened social capital, greater opportunities for upward mobility, and increased income and purchasing power.”²⁷ Programs and policies that increase immigrant access to financial institutions and services benefit all members of the community.

Additionally, as concerns deepen about the health of the national economy, encouraging the unbanked to utilize mainstream financial services could provide a huge benefit to national economic well-being. Each year, millions of people pay fees to alternative financial services, such as check cashing outlets, payday lenders and pawn shops.²⁸ Mainstream institutions provide these services for free. The fees paid to these non-bank outlets total \$8 billion a year.²⁹ Rather than paying fees to these non-bank institutions, immigrants could save and reinvest in their communities. The contribution would create an abundance of social and economic benefits for the nation as a whole.

“It would be much easier for them because the money would stay here ... the interest would be here. They wouldn’t go to the other country. The money would stay here.”

- Focus Group Participant

“I have money at my house or I send it to my brother because he has a bank account. He helps me guard my money. But I do need a bank account.” - Focus Group Participant



²⁷ “U.S. Business and Hispanic Integration: Expanding the Economic Contributions of Immigrants,” The Americas Society and the Council of the Americas, July 23, 2008.

²⁸ William J. Clinton & Arnold Schwarzenegger, “Beyond Payday Loans,” Wall Street Journal, January 24, 2008.

²⁹ Ibid.

II. Immigrant Access to Financial Institutions Project: Research and Analysis

A. Financial Institution Surveys

1. Objective and Method

In conducting surveys of local banks and credit unions, Louisiana Appleseed's objective was to discover the existing products and services in the local market targeting the immigrant and low-income communities.³⁰

Twelve financial institutions responded between summer and fall 2007: four credit unions and eight banks. **Appendix 1** contains the financial survey. **Appendix 2** summarizes in chart form survey responses in the following categories: bilingual services, acceptable identification, remittance services and overall description of products and services.

2. Observations

Analysis of the surveys revealed the need to increase immigrant access to financial institutions. In conducting the survey, Appleseed volunteers encountered much enthusiasm for understanding the needs of this emerging market and learning techniques to attract immigrants to the mainstream banking system.

While the larger institutions had in place national immigrant initiatives, many acknowledged the need for a more concentrated outreach to the emerging population in the New Orleans area. Also, local credit unions were aware of the opportunity in attracting unbanked immigrants and several had concerted efforts underway to reach this population. One credit union, in particular, had concrete plans to open branches designed specifically for the Latino and Vietnamese communities.

While participation was positive, some institutions completed the surveys with more in-depth answers than others. Consequently, some institutions may have a more comprehensive list of products and services than indicated on the survey. In January of 2008, each participant was given the opportunity to update its responses; one credit union replied with additional information.

3. Results

a. Bilingual Services

The survey revealed that 9 of 12 or 75 percent of the financial institutions provided bilingual services as an option to customers, at least in specified locations or via the internet. All nine offered Spanish. In addition, one institution offered Japanese, and three offered Vietnamese.

"Advertise in Spanish because there are many companies, such as telephone companies and cable companies, that send you advertisements and you feel motivated to go there because you see that they provide services to you." - Focus Group Participant

³⁰ Appleseed-trained volunteer attorneys from Adams and Reese LLP played a vital role in approaching 17 financial institutions and conducting the surveys. Volunteer Appleseed staff also gathered survey information through email correspondence with bank personnel and verified answers through customer service agents where necessary.

b. Matricula Consular Card Acceptance as Identification

Only 42 percent or 5 of 12 of the participants specifically indicated that they accepted the Matricula Consular card as an acceptable identification method. The Matricula Consular card is an official form of identification issued by the Mexican national government. Many U.S. banks will permit a customer to open an account using the Matricula Consular as primary identification. However, the Matricula Consular must be used in conjunction with a Social Security number or Individual Tax Identification Number to open an interest bearing account.³¹ In 2002, the card was redesigned as the High Security Consular Card with increased security measures verifying identification.³² One financial institution participant noted that, under its policy, in order to be used as primary identification with proof of residency, the Matricula Consular card must have been issued since January 1, 2004. If it was issued before that date, the card could be used only as a secondary form of identification.

c. Remittances

Sixty-seven percent or 8 of 12 surveyed institutions offered remittance services. Four institutions noted that in order to use the remittance service, one must be a customer or a member. One larger institution piloted a program in Texas that is now nationwide called the Rapid Cash Program. It partnered with Banorte Bank of Mexico to offer remittance services through Banorte's 1000 branches and 2800 ATMs in Mexico. In addition, another institution described a number of options for international funds remittance, including VIGO/IRNet, Directo a Mexico and Western Union. With 67 percent of the surveyed institutions offering remittances, Louisiana financial institutions seem to recognize the opportunity.

d. Barriers in Serving Immigrants

The last question of the survey asked the institutions what barriers, if any, they encountered in offering services to the Latino community. While most of the financial institutions indicated a desire to learn more about immigrant banking opportunities, many described specific barriers faced by their respective institutions in serving this population.

Thirty-three percent of the respondents indicated that lack of bilingual personnel or having a language barrier was a problem. Several recognized that the lack of cultural awareness or the lack of a comfortable banking atmosphere needed to be addressed. Uncertainty about government regulations, specifically the Patriot Act requirements and proof of identification, created obstacles for 50 percent of participants. One institution listed determining credit history of immigrants as a particular issue while two others recognized that many people in the Latino community distrust mainstream institutions. Lack of locations in Latino-populated areas created barriers for three institutions. Other obstacles included lack of financial literacy and the perceived fear of customers sacrificing their privacy.

Question: "What methods of saving do you have if you don't use banking services?"
Answer: "Under my mattress." - Focus Group Participant

³¹ Anna Paulson, et al, "Financial Access for Immigrants: Lessons from Diverse Perspectives," Federal Reserve Bank of Chicago and the Brookings Institution, p. 36, May 2006.

³² Ibid.



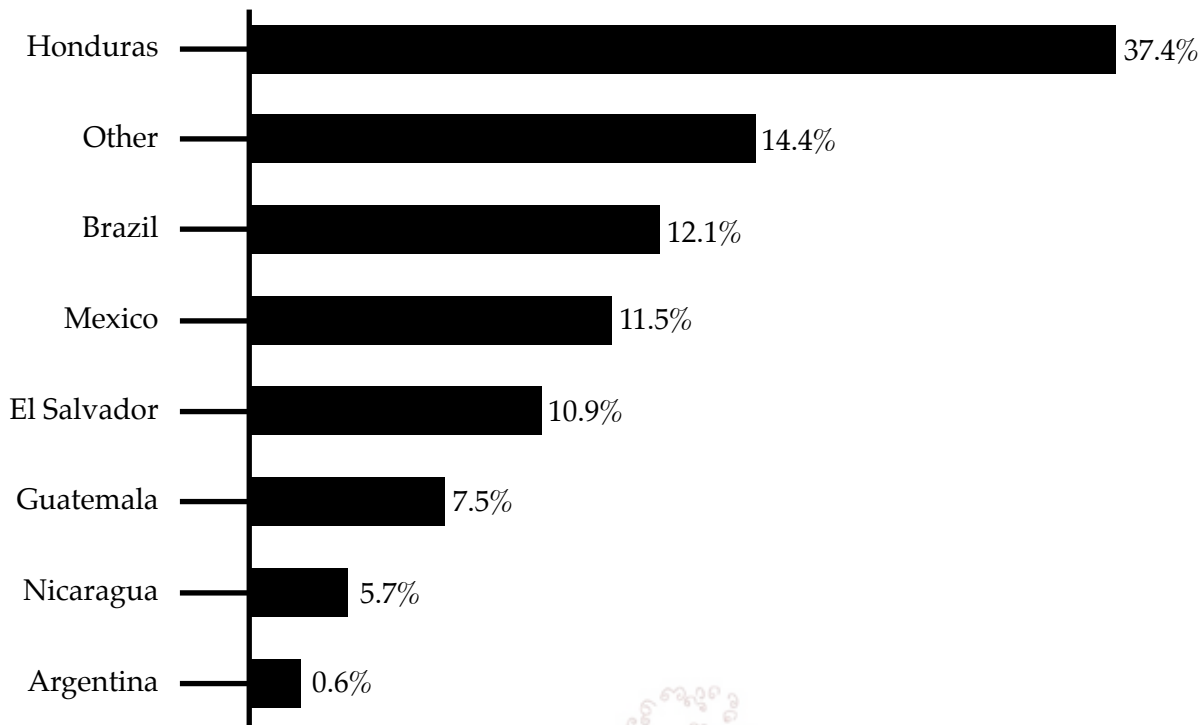
B. Latino Immigrant Outreach – Surveys

In addition to surveying financial institutions, Louisiana Appleseed designed a survey to yield specific information that would enable area banks and credit unions to understand better the needs of the growing immigrant community. Subjects included the following: country of origin, opinions about U.S. banks and credit unions, banking practices or lack thereof, use of and fees paid to fringe financial services and interest in financial education. **Appendices 3 and 4** provide survey copies in English and Spanish respectively. **Appendix 5** presents the compilation of survey answers.³³

1. Observation and Results - Demographics

The survey provided much insight into the demographics of area Latino immigrants. The survey revealed that 83.4 percent of participants have resided in Louisiana for five years or less, 10.1 percent have resided in Louisiana between five to ten years, and 6.5 percent have resided in Louisiana more than 10 years. The highest percentage of participants came from Honduras with an estimate of 37.4 percent, Brazil with 12.1 percent and then Mexico with 11.5 percent of participants. Note that the “other” category accounted for 14.4 percent. Local advocates suggested that “other” may include countries such as Peru, Columbia, Cuba, Dominican Republic, Bolivia, Chile or Costa Rica, among others.³⁴ The following graph illustrates the participants’ countries of origin.

What is your country of origin?



³³ In reaching the immigrant community, project partners, Hispanic Apostolate/Catholic Charities and Puentes New Orleans, played an essential role. Louisiana Appleseed distributed surveys at local English as a Second Language (ESL) classes throughout September and October of 2007. ESL participants completed a total of 174 surveys during seven classes. Note that a number of participants did not answer all of the questions; therefore, each question is calculated on an individual percentage basis.

³⁴ Catholic Charities Archdiocese of New Orleans – Hispanic Apostolate Community Services based suggested countries on demographics of students attending the Fall 2007/2008 ESL and Civics class.

2. Perception of the Banking System

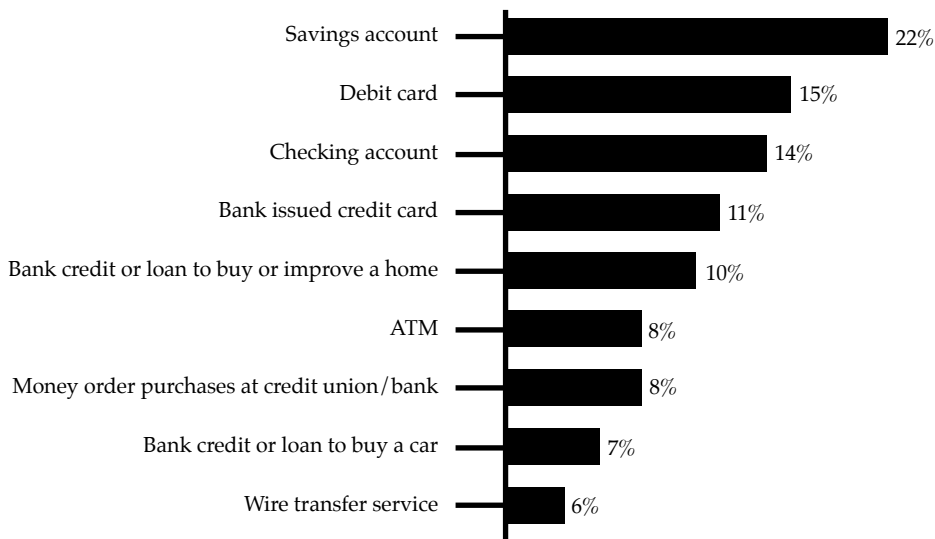
The survey inquired as to the participants' opinions of U.S. financial institutions. Overall, 64.2 percent of participants had a positive opinion of the U.S. banking system; 9.9 percent indicated a negative opinion while 25.8 percent were indifferent. It is interesting to note that while 23.8 percent of participants indicated a favorable opinion of U.S. credit unions, and only 7.3 percent indicated a negative one, 49.7 percent did not understand the difference between banks and credit unions.

3. Use of the Banking System

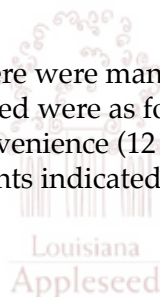
Survey responses revealed the participants' choices of financial institutions as the following: 54.4 percent used a bank, 2.5 percent used a credit union, and 43 percent used neither. Question 6A of the survey was difficult to analyze, as it was evident that some of the participants misunderstood the question. After indicating in question 6 that they did not utilize banks or credit unions, some participants circled in 6A specific services indicating their use of them. With the discrepancy noted, a total of those responding indicated use of the following top three services: checking accounts (27.5 percent), debit cards (20.6 percent) and savings accounts (17.6 percent).

Next, participants indicated which banking services interested them the most or would motivate them to open accounts. The three categories with the highest percentages were savings accounts (22 percent), debit cards (15 percent) and checking accounts (14 percent). The following graph provides a complete list of the answers:

Which services could banks offer that would motivate you to open accounts?
Which of these banking services interest you most? (Circle all that apply)



Participants with bank accounts indicated there were many difficult aspects of opening and maintaining the account. The reasons indicated were as follows: lack of Spanish speaking employees (51 percent), bank charges (19 percent), inconvenience (12 percent) and difficulty of the process (7 percent). Note that 12 percent of respondents indicated "other reasons."



4. Non-Use of the Banking System

The survey asked specific questions to those participants who did not have bank accounts. Their answers revealed several interesting observations. The participants indicated that “lack of time” and “fear that the institutions might share their information with other entities” as the top specific reasons why they did not use banking/credit union services. The reasons accounted for 22 percent each of the responses. As far as opening accounts, 75 percent of the participants would be more inclined to open an account if they could use the Matricula Consular or other foreign government-issued identification.

5. Use of and Fees Paid to Alternative Financial Services

Of those participants that did not utilize mainstream financial institutions, they fulfilled their financial needs by utilizing services provided by the following: grocery stores (34 percent), check cashers (23 percent), payday lenders (8 percent), pawn shops (3 percent) or other services. In frequenting these services, the participants spent the following monthly in cashing paychecks and using money orders to pay bills: \$1-3 (27 percent), \$4-7 (21 percent), \$8-10 (20 percent), \$11-15 (16 percent) and other (16 percent).

6. Remittances

Participants indicated a great interest in banks and credit unions offering remittance services. Seventy-nine percent of participants indicated that it was very important for their banks or credit unions to offer wire transfer services to Latin America or direct account transfer services to banks in their home countries. Only eight percent indicated it was simply “important” while 12 percent said it was not important.

“I didn’t understand all of it and didn’t understand the options they explained to me about what they were offering me, how much they would charge me for a checking account, and all that. I understood about half of what they told me. So I spoke to my friend who worked at the bank and asked her if she could explain things to me. She came and explained everything to me and then said she would go with me to the bank.”
- Focus Group Participant



The survey produced many specific observations concerning remittances. The majority of participants sent money to their home countries once or twice a month, 50 percent and 40 percent respectively. With 74 percent, the majority of participants utilized Western Union or a similar service to transfer money home. In comparison, other methods ranked as follows: banks (5 percent), credit unions (2 percent), sending it with relatives traveling home (4 percent) and other (13 percent). Two percent indicated they did not send money to Mexico or Latin America. Sixty-nine percent of participants paid fees ranging from \$1-10 each time they sent money home, followed by 25 percent spending \$11-20. The amount of money sent home each time varied in amounts and close percentages: \$0-100 (26 percent), \$101-200 (24 percent), \$201-300 (20 percent), \$301-400 (10 percent) and \$401-more (20 percent). The following graph illustrates the percentages and amounts:

How much money do you send each time you send money to relatives in Mexico / Latin America?

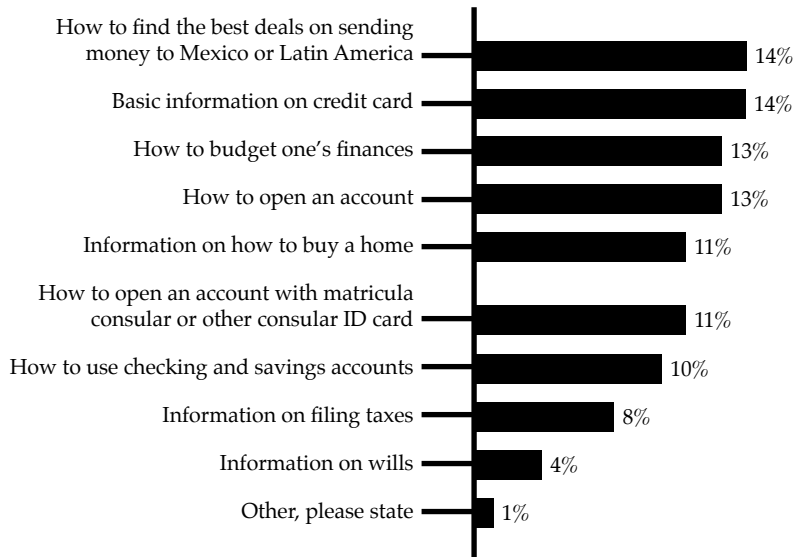


7. Financial Education

When asked if interested in attending financial education classes, 85 percent of participants answered positively while only 15 percent answered in the negative. The survey provided many topics to choose from in order to understand specific banking interests. The percentages were close with 14 percent being the highest number. The following provides a clear illustration of the many topics and percentages of interest:



What topics would you like to learn more about? Please select all that interest you.



C. Latino Immigrant Outreach – Focus Groups

In conjunction with the surveys, Appleseed conducted focus groups which addressed Latino perceptions and use of the U.S. banking system.³⁵ The overriding sentiment expressed in group discussions was general dissatisfaction with and a reluctance to use the U.S. banking system (notwithstanding the fact that most, if not all, of the participants had previous experience using the banking system in their home countries and viewed the banking system as relatively straightforward).

Some specific issues with the banking system that were voiced by the group included the following:

- Language barriers (lack of Spanish-speaking tellers and other bank employees to assist);
- A perception that their business was not wanted by the bank (although participants pointed out that overall it was individual employees, not the institutions, that were conveying this perception);
- Misunderstanding of the requirements to open accounts at banks or credit unions, including a belief that they would not be allowed to open a bank account unless they had a social security card, state-issued identification cards or documentation to prove their lawful immigration status in the U.S.; and
- Concerns that their private information might be used against them.

A number of participants who had worked in other states (California, Florida, Illinois and Texas) and cities (Chicago, Houston, Los Angeles and Miami) commented that they had experienced fewer difficulties with banks in those cities and states. And, while a few of the participants cited positive experiences in dealing with the U.S. banking system, this was often the result of an English-speaking friend, relative or employer assisting them in opening the bank account.

³⁵ Puentes New Orleans provided a narrator to conduct the focus groups. The focus groups consisted of 29 ESL students. Of the 29 participants, 21 were male and 8 were female. Most were from Central America and Mexico. An attorney from the law firm Baker, Donelson, Bearman, Caldwell & Berkowitz, PC assisted with translation and analysis.

Additionally, many participants commented that they would like to use banks and credit unions (rather than other providers) to send remittances to their families overseas. Some participants agreed they would welcome access to credit or a loan facility by U.S. banks or credit unions.

While participants expressed a desire to use U.S. financial institutions, in practice they remain hesitant to participate. Instead, some Latinos turn to other services to send remittances to their home countries or to cash paychecks. Others simply keep cash in their homes, which they acknowledge makes them targets of crime since they are viewed by criminals as “walking ATM machines.”

III. Best Practice Outreach Methods - An Opportunity to Build Your Institution and Your Community³⁶

A. Local Advocacy and Best Practice Outreach Methods

Appleseed’s research, both locally and nationally, indicates that there are numerous possibilities for capturing unbanked market segments. The key is to look for unmet financial service needs in the community and design an appropriate service and marketing approach to fill those needs. The following best practice outreach methods result from both research on other successful banking initiatives and the actual suggestions of the New Orleans area Latino community:

1. Community Engagement:

a. Community Organizations

- Become familiar with community groups, area nonprofits, area Latino media outlets – radio stations, television channels and newspapers. **Appendix 6** provides a listing of numerous local Latino organizations and media outlets.
- Meet with community groups or send them correspondence to express your interest in reaching out to the community and to ask for their assistance in doing so.
- Collaborate with these groups to use advertising opportunities or scheduled community events for outreach opportunities.

b. Language Barriers

- Hire bilingual bank personnel who are fluent in Spanish and advertise such in the financial institution itself and within the Latino community media outlets.

³⁶ This section is adapted from “Banking Immigrant Communities - A Toolkit for Banks and Credit Unions,” a joint publication by Appleseed Centers in Alabama, Chicago, Georgia, Massachusetts, Nebraska and Texas.

- Provide multi-lingual signage, informational and marketing materials.
- Provide telephone messages, website information and account documents in both English and Spanish.

c. Branch Environment

- Provide a welcoming environment by being creative with décor, perhaps using items that could be seen as culturally inclusive.
- Train all staff about the cultural background of the community. Cultures have differing expectations and assumptions concerning money and banking, and many participants indicated it was individual employees, not institutions, that made them feel their business was unwelcome.
- Train staff at all levels regarding acceptable forms of identification so that they will not turn away potential customers based on a misunderstanding or misinformation regarding acceptable forms of identification.

d. Banking Hours

- Know your target community and take into consideration usual working hours for them. Twenty-two percent of respondents identified “lack of time” as a major reason for not having bank accounts.
- Choose a night or two each week to offer extended hours; extended weekend hours might be beneficial to the community as well.

2. Banking Outside the Branch:

- Open branches in locations such as high schools, community centers, grocery stores, churches and other community-centered locations. This brings the bank or credit union closer to its market without the expense of opening a new branch and allows the bank or credit union to leverage the trust immigrants have in these institutions.
- Having branches located within the community may also assist in recruiting and retaining bilingual employees.



3. Cross-Selling Services:

a. Other Services

- Provide services that potential clients might find useful in addition to traditional banking services, such as the following:
 - free tax preparation
 - check cashing
 - remittance products
 - prepaid calling cards
 - stored value cards
 - public transportation fare cards
 - affordable alternatives to payday loans
 - money orders

b. Debit Cards

- Some Louisiana focus group participants indicated particular interest in debit cards that could be sent to relatives in their home countries and used to access accounts in the United States.

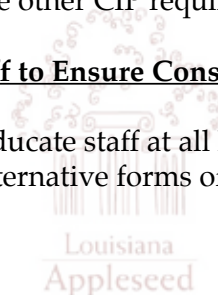
4. Accept Alternative Forms of Account Opening Identification:

a. Establish Consistency in Accepting Alternative Forms of Identification

- Local focus group participants indicated that there was much misunderstanding as to the requirements to open accounts.
- As part of a financial institution's customer identification program (CIP), a non-citizen's identification number can be established by a passport, alien identification card number, individual tax identification card, or number and country of issuance of any other government issued document evidencing nationality or residence and bearing a photograph or similar safeguard.
- An institution must be able to form a reasonable belief that the individual is the person he purports to be and be satisfied that the other CIP requirements are met.

b. Train Staff to Ensure Consistency

- Educate staff at all levels regarding the acceptability of alternative forms of identification.



5. Financial Education:

a. Locate Existing or Create New Financial Education Materials

- Research existing financial education materials and use financial literacy brochures in branches. See [Appendix 7](#) for some suggested financial education resource guides.
- Work with employers, community organizations and governmental agencies to develop financial education initiatives. Eighty-five percent of participants indicated an interest in attending financial education classes.

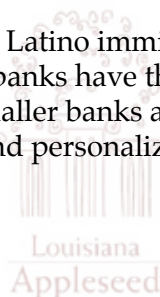
b. Determine Topics of Interest to the Community

- Louisiana survey and focus group participants indicated a desire for financial education regarding the following:
 - sending remittances
 - obtaining credit
 - budgeting
 - opening an account
 - buying a home
 - exact requirements to open an account
- Be mindful of the need to develop trust in the banking system as a whole and to start with the most basic information about the financial system.

c. Financial Education Class Logistics

- For existing programs, provide community organizations with bank or credit union personnel to serve as educators and trainers.
- Your financial institution could donate space and food to an existing class. This may encourage community members to feel comfortable in your institution.
- Educate in settings community members already frequent. (Examples: ESL classes, community centers, churches.)

In sum, many opportunities exist to reach the Latino immigrant population and to provide good services at reasonable prices. Though larger banks have the advantages of greater marketing capacity and a presence in many different markets, smaller banks and credit unions can also be competitive by focusing on offering convenient, consistent and personalized service, which is particularly important in the Latino community.



B. Case Study: One Local Outreach Initiative

ASI Federal Credit Union, a New Orleans area credit union, has instituted an aggressive campaign to attract Latino immigrants by opening Louisiana's first credit union branch dedicated to serving the Latino community.³⁷ All staff members are bilingual and the materials are printed both in Spanish and English.³⁸ After recognizing the surge in armed robberies of immigrants, the credit union instituted safe accounts, which are savings accounts from which customers can make withdrawals with ATM cards.³⁹ In the program, the credit union issues a second ATM card that can be sent to family members in home countries, thereby avoiding expensive transfer fees.⁴⁰ In addition, the credit union assists immigrants in applying for federal tax identification numbers and partners with area nonprofits to deliver financial education.⁴¹ Being innovative and assertive in its outreach methods, the credit union will benefit not only itself but also the community at-large.

C. National Advocacy Efforts

Through its volunteer attorneys, Louisiana Appleseed has undertaken national-level advocacy to promote broader implementation of this project.⁴² In particular, Appleseed has engaged both federal banking regulators and New Orleans area banking institutions in a dialogue focused on developing a mutually agreeable protocol by which to deliver additional banking products and services to Latino immigrants in Louisiana. The protocol, among other aspects, will seek to address one of the long-standing barriers to banking products and services that immigrants have faced: namely, bank acceptance of alternate forms of personal identification, including the consular identification card.

Appleseed volunteers have engaged in conversations with senior federal banking regulators as well as key personnel at banking institutions with the largest area presence. The regulators have agreed to publish a "Frequently Asked Questions" page on their website to provide sufficient guidance for financial institutions on reaching immigrant communities. Appleseed will work with banking institutions to compose these questions, the answers to which will serve to educate local and national institutions on the procedures and documentation required by federal regulators. We will continue to work with regulators and financial institutions to increase access.

"The banks should take more concrete action such as advertising to all Latinos, most of all to those who don't know English well, to advise as to the requirements in this country necessary to be able to open a bank account." - Focus Group Participant

³⁷ Susan Finch, "Credit Union to Serve Hispanic Workers," The Times Picayune, February 18, 2008.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Attorneys from law firm partner Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden") conducted this portion of the project.



IV. Conclusion

Increasing immigrant access to mainstream financial institutions in the area is imperative to the economic security and the continued prosperity of the region. It will benefit and provide opportunities to all – area banks and credit unions, the local Latino population and the community at-large. By customizing products and services to fill the financial needs of the local Latino community, banks and credit unions will not only build their customer bases but also build a more integrated community capable of making better-informed financial decisions. As these informed members of the immigrant community continue to live and work in the area, they will significantly contribute to the city's economic, cultural and general well-being.

Area banks and credit unions have the opportunity to bridge the gap between the local Latino community and their respective institutions. If increased financial access for immigrants is to be achieved, the area's financial institutions must be willing to collaborate with local nonprofits, community-based organizations, advocates and employers. Likewise, the local Latino community must be willing to work with the banks and credit unions by openly discussing their banking practices, financial service requirements and needs for financial education. With these diverse groups working together to promote access to the city's mainstream financial system, the burgeoning Latino community and the existing local population will achieve greater unity and success.

"I cannot say they have treated me badly. The only thing has been the language barrier."

- Focus Group Participant



Appendix 1: FINANCIAL INSTITUTION SURVEY

Volunteer attorneys from Adams and Reese LLP conducted interviews with area banks and credit unions utilizing this survey. In some instances, Louisiana Appleseed volunteer staff gathered information from bank employees with the survey through electronic mail or by phone via customer service. The financial institution participants included four credit unions and eight banks in the New Orleans area. Any errors reflect the information provided to us through the above survey process. The purpose of the survey was to determine which financial products and services in the market, if any, target the immigrant community.

Building Access to Louisiana Financial Institutions

Instructions:

Please disregard questions that are not applicable to your institution. You may choose to format your answers in a separate document or utilize the space given in this one. Please feel free to attach any written materials or brochures that reference these issues. These questions pertain to your institution's services and policies in the New Orleans area. Also, the terms "unbanked" and "underbanked" used in this survey refer to people that do not utilize traditional banking services or do it only intermittently. According to the Chicago-based center for Financial Services Innovation, an estimated 14% of the United States income workers or 28 million people lack bank accounts. Many are recent immigrants or persons with very low incomes.

Contact Name: _____

Email Address: _____

Institution Name: _____

Institution Address: _____



1. What products, services, or programs does your institution have in place to attract and assist immigrant and low-income communities? Examples: financial education through community organizations, low cost mortgages, savings accounts with low or no minimum balance, direct deposit accounts for tax refunds or paychecks, check cashing, assistance in tax filing and with the earned income tax credit, banking at non-traditional sites, stored value cards, etc....

2. Does your institution offer bilingual services in the area?

Yes No

If yes, please specify in what languages your institution offers written materials or bilingual personnel.

3. What forms of identification are considered acceptable as primary ID to open an account?

Social Security Number	Individual Taxpayer ID Number
Driver's License	State ID
Major Credit Card	Matricula Consular
Other, please explain	Other foreign government-issued I.D.

4. Do you require a secondary form of identification to open an account? If yes, what forms of identification would be acceptable?

Mexican Voter Registration Card or other foreign ID card

Utility Bill

If other, please state.

5. Does your institution process Individual Tax Identification Number (ITIN) applications directly?

Yes No

What fees are associated with this?



6. Does your institution consider alternative methods such as rent and utility bill payments and employment history in addition to or in place of traditional credit history and credit scores when considering candidates for mortgages?

Yes No

If yes, then please explain these methods.

7. What does your institution require to open and maintain a safety deposit box?
What fees are associated with this?

8. Does your institution offer remittance services for immigrants to remit funds to their home countries?

Yes No

What fees are associated with these services?

9. Is your institution interested in learning more about the financial needs and concerns of the immigrant and low-income communities in order to develop products and services that would attract this clientele?

Yes No

10. In your opinion, what are the opportunities and barriers for your institution to offer banking services to immigrants and other low-income clients in your local area?

11. Is there any additional information that you would like to share with us?

If yes, please explain.



Appendix 2: FINANCIAL INSTITUTION SURVEY RESULTS

Financial Institutions	A	B	C	D	E	F
Bilingual Services	Yes, Spanish & Vietnamese; Spanish branch; Spanish forms & website; Vietnamese brochures	Yes, Spanish speaking customer service agents & collection officers	Yes, Kenner branch has bilingual tellers. (Spanish)	Yes, Spanish	No	Yes, Spanish materials & via telephone; ATM Spanish option
Acceptable Primary ID	SSN, ITIN, driver's license, state ID, Matricula Consular issued since 1/1/04 as primary ID, other foreign issued ID, passport, and others	SSN, driver's license, ITIN, state ID, other foreign issued ID, any state or country issued driver's license	SSN, driver's license, state ID, SSN required unless foreign exemption W8	SSN, driver's license, ITIN, state ID, Password for safe accounts that do not earn interest; Mexican Voter Registration card, Matricula Consular	Need 2 forms: SSN & some sort of government issued ID (Driver's license, military, state ID, passport)	Driver's license, passport, state ID, Matricula Consular, SSN
Required Secondary ID	Yes, Mexican Voter Registration Card or other foreign ID, many other forms if ID also listed	Yes, Mexican Voter Registration Card, other foreign issued ID, utility bill	No	Yes, Mexican Voter Registration or other foreign issued ID, utility bill	Yes, Mexican Voter Registration or other form of ID, sometimes utility bills	Major credit card or utility bill, including others
Remittance Service	Yes, international remittance options include VIGO/IRNet, Directo a Mexico, Western Union	Yes, only to customers	Yes, only to customers	No	Yes, but must be a member	Yes, Rapid Cash program; if less than \$1500 US & there are not more than 3 transactions per month, money is sent free; partner with Banorte Bank in Mexico
Products, Services, Programs	Anyone can open savings account with \$5.00 and \$5.00 minimum balance; free checking with direct deposits; checkless checking accounts for those with low credit; free online banking and bill payer services; payroll card accounts for non-members; member & non-member check cashing; Volunteer Income Tax Assistance; stored value cards; 1st Time home buyer education; Individual Development Account Program; alternative products to payday lending; financial counseling services for members	Deals mainly with sub-prime auto loans; direct deposit & checking accounts	Pre-paid IN debit cards; gift cards; first time home buyer mortgage no \$ down & lower credit scores; free checking no service charges; direct deposit paychecks; tuition lending program	Free financial counseling, low minimum balance savings accounts, direct deposit, free ATM, shared credit union branches, mortgages with low fees, free checking, online banking and bill pay, "safe" savings accounts for persons without tax ID (coming soon)	Specifically serves low-income families in obtaining bank accounts & helping with loans; community education; low-cost mortgages; savings accounts with low or no minimum balances; direct deposit accounts; check cashing for members; Volunteer Income Tax Assistance; Refund Anticipation Loans	First time home buyer training; many products for the unbanked, including stored value cards



G	H	I	J	K	L	
						Financial Institutions
No	Yes, Spanish in some offices but always via phone	Yes, Spanish in Kenner & Carrollton (2 branches); Japanese at Kenner branch; Vietnamese at West Bank branch	Yes, Spanish	No	Yes, Spanish & Vietnamese at select locations; possibly French in Acadiana	Bilingual Services
Driver's license, U.S. Passport, state ID	SSN, driver's license, passport, state ID, other foreign issued ID	SSN, driver's license, state ID, all must be picture ID	Driver's license, major credit card, state ID, Matricula Consular	2 forms required; state ID or driver's license & SSN or ITIN plus one of the following; birth certificate, SS card, military ID, passport, voter's registration	Current driver's license, state ID, passports from US or country of origin, Matricula card	Acceptable Primary ID
No	Foreign ID, utility bill may only be used to verify address	No	Yes, foreign passport	Yes, proof of residence is required, may be established by a published phone number, a recent phone or utility bill	Secondary required if a concern to primary arises; secondary depends on concern at issue	Required Secondary ID
No	No, wire transfer based on fee	No, but wiring is an option	Yes, International wires \$35, wire transfer \$16	Yes, International \$37 & Western Union \$15	Yes, wire transfer to foreign or domestic persons; domestic \$15; foreign \$40	Remittance Service
Low-cost mortgages & minimum deposit savings accounts (\$50); direct deposit & check cashing for clients; line of credit available \$200-\$1000 for non-traditional clients; stored value card program in development	Free checking, no limits, NSF fees only; passbook or savings accounts \$100 min. to open & \$300 min. to avoid \$3 charge per month; Affordable Home Loan Program 97% Loan and 3% down; income max, pre-counseling program; Home Loan & Bank Grant Program, March 4:1, no PMI; Southern University, Individual Account Program; free cash checking for customers; free online & phone banking; FDIC Money Smart Program	Direct deposit accounts for tax refunds & paychecks available to anyone; Neighborhood Housing Service offers financial assistance, stored value card program in development	100% affordable mortgage product for low to moderate income persons	Savings accounts with \$5 minimum balances; free checking with no minimum balance; direct deposit	Includes: First Time Homebuyer Education classes; Individual Development Accounts; Dream Mortgage products for families with credit scores as low as 580; Free savings accounts with \$300 minimum balance	Products, Services, Programs



This information was provided by bank/credit union representatives and their customer service departments. It does not purport to be a full list of policies, products or services. Consumers should check with the individual banks and credit unions before making decisions or taking action. If you are a financial institution and would like to update any information on this chart or add your institution's information, please contact Louisiana Appleseed. (Information compiled as of January 2008)

Appendix 3: SURVEY OF IMMIGRANTS AND THEIR USE OF BANKING SERVICES

1. What is your country of origin?

Honduras

Mexico

El Salvador

Guatemala

Nicaragua

Argentina

Brazil

Other: _____

2. For how long have you resided in the United States?

5 years or less

Between 5 - 10 years

More than 10 years

3. For how long have you resided in Louisiana?

5 years or less

Between 5 -10 years

More than 10 years

4. What is your opinion of the U.S. banking system?

Positive

Negative

Indifferent

5. What is your opinion of the U.S. credit unions?

Positive

Negative

Indifferent



6. Do you use any banking services?

Yes, I use a bank.

Yes, I use a credit union.

No, I use neither.

I don't know the difference between banks and credit unions.

6A. If yes, then which services do you use? Please circle.

Savings account

Checking account

Bank issued credit card

Debit Card

ATM

Wire transfer service offered by a bank or credit union

Money order purchases at credit union/bank

Bank credit or loan to buy a car

Bank credit or loan to buy or improve a home

7. Which services could banks offer that would motivate you to open accounts?
Which of these banking services interest you most?

Savings account

Checking account

Bank issued credit card

Debit Card

ATM

Wire transfer service offered by a bank or credit union

Money order purchases at credit union/bank

Bank credit or loan to buy a car

Bank credit or loan to buy or improve a home



8. If you do not use a credit union or bank, who do you use?

Check casher

Payday lender

Pawnshop

Grocery store

Other: _____

9. How much do you spend per month to cash your paychecks and to use money orders to pay your bills?

\$1-3

\$4-7

\$8-10

\$11-15

Other amount: _____

10. If you do not have a bank or credit union account or do not use any banking services, why do you not use them?

No time

No confidence in the banking system

I do not think it is to my benefit given my income or my spending habits.

Banks charge too many fees.

I fear that the banks or credit unions may violate my privacy and share my information with other entities.

Other, please explain.

11. If you do not have a credit union or bank account, would you be more inclined to open one if you could use the Matricula Consular or other foreign government ID?

Yes

No



12. If you have a credit union or bank account, what is the most difficult aspect about opening and maintaining an account?

- Fees
- Inconvenience
- Difficulty of the process
- Lack of Spanish speaking bank employees
- Other, please explain.

13. What services do you use to send money to Mexico/Latin America?

- Bank
- Credit union
- Western Union or other similar service
- I send it with relatives traveling there.
- I do not send money to Mexico/Latin America.
- Other, please state.

14. How much money do you send each time you send money to relatives in Mexico/Latin America?

- \$0-100
- \$101-200
- \$201-300
- \$301- 400
- \$401 or more

15. How often do you send money home?

- Once a month
- 2 times or more per month
- 2 times or more a year
- Once a year
- Other, please state.



16. How much in the form of fees do you pay each time you send money to Mexico or Latin America?

\$1-10

\$11-20

\$21-30

\$31-40

\$41 or more

Other, please state.

17. How important would it be for your bank or credit union to offer wire transfer services to Latin America or direct account transfer services to banks in your country? Please circle one.

Very important

Important

Not very important

18. Would you attend courses on financial education if a credit union or bank in your area offered such a course in your area?

Yes

No

19. What topics would you like to learn more about? Please select all that interest you.

How to budget one's finances

How to open an account

How to open an account with a Matricula Consular or other Consular ID card

How to use checking and savings accounts

Basic information on credit

How to find the best deals on sending money to Mexico or Latin America

Information on wills

Information on filing taxes

Information on how to buy a home

Other, please state.



Appendix 4: IMMIGRANT OUTREACH SURVEY (SPANISH)

Encuesta sobre los Inmigrantes Provenientes de Latinoamérica y Su Uso de los Servicios Bancarios

1. ¿Cuál es su país de origen? (CIRCULE UNO)

Honduras	1
México	2
El Salvador	3
Guatemala	4
Nicaragua	5
Argentina	6
Brasil	7
Otro país (favor de especificar)	8

2. ¿Cuántos años has vivido en los Estados Unidos? (CIRCULE UNO)

5 años o menos	1
Entre 5 y 10 años	2
Mas de 10 años	3

3. ¿Cuántos años has vivido en Louisiana? (CIRCULE UNO)

5 años o menos	1
Entre 5 y 10 años	2
Mas de 10 años	3

4. ¿Cuál es su opinión del sistema bancario norteamericano? (CIRCULE UNO)

Positiva	1
Negativa	2
Indiferente	3



5. ¿Cuál es su opinión de los cooperativos de crédito en los Estados Unidos? (CIRCULE UNO)

Positiva	1
Negativa	2
Indiferente	3
No conozco la diferencia entre los bancos y los cooperativos de crédito	4

6. ¿Utiliza los servicios bancarios o servicios de cooperativos de crédito? (CIRCULE TODOS QUE APLIQUEN)

Sí, uso banco	1
Sí, uso cooperativo de crédito	2
No uso ninguno	3

6A) ¿Si usted utiliza servicios bancarios, entonces cuáles servicios usa? (CIRCULE TODOS QUE APLIQUEN)

Cuenta de ahorros	1
Cuenta de cheques	2
Tarjeta de crédito de banco	3
Tarjeta de débito	4
Máquinas de cajero automático (ATM)	5
transferencia electrónica de dinero	6
Giros de dinero	7
Crédito o préstamo para comprar un automóvil	8
Crédito o préstamo para comprar una casa	9



7. ¿Cuáles servicios podrían ofrecer los bancos para motivar a cuentas?
 ¿Cuales son los servicios bancarios que les interesan mas? (CIRCULE TODOS QUE APLIQUEN)

Cuenta de ahorros	1
Cuenta de cheques	2
Tarjeta de crédito de banco	3
Tarjeta de débito	4
Máquinas de cajero automático (ATM)	5
Transferencia electrónica de dinero	6
Giros de dinero	7
Crédito o préstamo para comprar un automóvil	8
Crédito o préstamo para comprar una casa	9

8. Si no utiliza banco, ¿qué utiliza? (CIRCULE TODOS QUE APLIQUEN)

Cajeros que cobran chques	1
Compañía que hace préstamos en días de pago (payday lender)	2
Casa de empeño	3
Supermercado	4
Otro (Favor de especificar)	5

9. ¿Cuánto dinero gasta cada mes para cobrar su cheque del trabajo? (CIRCULE UNO)

\$1 - \$3	1
\$4 - \$7	2
\$8 - \$10	3
\$11 - \$15	4
Otra cantidad (favor de especificar)	5



10. Si usted NO utiliza servicios bancarios, ¿por qué no? (CIRCULE TODOS QUE APLIQUEN)

No tengo tiempo	1
No confié en el sistema bancario	2
No creo que me convenga dar mi ingreso o hábitos de gasto	3
Los cargos que cobran los bancos son demasiados	4
Tengo miedo que el banco cooperativo me viole mi privacidad y compare mi información con otras entidades	5
Otras razones (favor de especificar)	6

11. ¿Si usted no tiene cuenta bancaria ¿estaría más dispuesto abrir una cuenta bancaria ya que sabe que puede utilizar la matrícula consular como forma de identificación en ciertos bancos? (CIRCULE UNO)

Sí	1
No	2

12. Si usted si tiene cuentas bancarias o cuentas con cooperativos de crédito, ¿Cuál es el aspecto más difícil de abrir y mantener estas cuentas (CIRCULE TODOS QUE APLIQUEN)

Los cargos	1
La inconveniencia	2
La complejidad del proceso	3
La falta de empleados bancario que hablen español	4
Otras razones (favor de especificar)	5

13. Si usted envía dinero a su país, ¿cuáles servicios utiliza para hacerlo? (CIRCULE TODOS QUE APLIQUEN)

Cooperativo de crédito (credit union)	1
Banco	2
Western Union, o otro servicio similar	3
Lo envío con parientes o amigos que viajan hacia allá	4
No envío dinero a mi país	5
Envío dinero por otras formas (favor de especificar)	6



14. ¿Cuánto dinero le envía a sus parientes cada vez que le envíe dinero? (CIRCULE UNO)

\$0 - \$100	1
\$101 - \$200	2
\$201 - \$300	3
\$301 - \$400	4
\$401 o más	5

15. ¿Con cuánta frecuencia envía dinero a Latinoamérica? (CIRCULE UNO)

2 veces o más por mes	1
Una vez por mes	2
2 o más veces al año	3
Una vez al año	4
Otra frecuencia (favor de especificar)	5

16. ¿Cuánto paga cada vez que envía dinero a Latinoamérica? (CIRCULE UNO)

\$1 - \$10	1
\$11 - \$20	2
\$21 - \$30	3
\$31 - \$40	4
\$41 o más	5
Otra cantidad (mayor de \$50) (favor de especificar)	

17. ¿Sería importante que su banco ofreciera servicio de envíos de dinero hacia Latinoamérica o servicio de transferencias directas a cuentas bancarias en su país? (CIRCULE UNO)

Muy importante	1
Moderadamente importante	2
Me da igual	3



18. ¿Asistiría a cursos de educación financiera si fueran ofrecidos en su comunidad?
(CIRCULE UNO)

Sí	1
No	2

19. ¿Sobre cuáles temas le gustaría aprender mas? (CIRCULE TODOS LOS QUE LE INTERESEN)

Como organizar mis finanzas bajo un presupuesto	1
Como abrir una cuenta bancaria o de cooperativa de crédito	2
Como abrir una cuenta bancaria con una Matricula Consular	3
Como utilizar las cuentas de ahorros y de cheques	4
Información básica sobre el crédito	5
Como encontrar las mejores tarifas para servicios de envío de dinero a México/Latinoamérica	6
Información sobre testamentos	7
Ayuda en someter formularios de impuesto	8
Información sobre el proceso de comprar una casa	9
Otros temas (FAVOR DE ESPECIFICAR)	10



Appendix 5: IMMIGRANT SURVEY COMPILATION

Latino Immigrant Access to Financial Services Survey: New Orleans

	Respondents		Response
1. What is your country of origin?	(Circle one.)		174
Honduras	37.4%	65	174
Mexico	11.5%	20	174
El Salvador	10.9%	19	174
Guatemala	7.5%	13	174
Nicaragua	5.7%	10	174
Argentina	0.6%	1	174
Brazil	12.1%	21	174
Other:	14.4%	25	174
	100.0%		
2. For how long have you resided in the United States?	(Circle one)		170
5 years or less	75.3%	128	170
Between 5 - 10 years	15.9%	27	170
More than 10 years	8.8%	15	170
	100.0%		
3. For how long have you resided in Louisiana?	(Circle one.)		169
5 years or less	83.4%	141	169
Between 5 -10 years	10.1%	17	169
More than 10 years	6.5%	11	169
	100.0%		



4. What is your opinion of the U.S. banking system?	(Circle one)	152	
Positive	64.2%	97	151
Negative	9.9%	15	151
Indifferent	25.8%	39	151
	100.0%		
5. What is your opinion of the U.S. credit unions?	(Circle one.)	148	
Positive	23.8%	36	151
Negative	7.3%	11	151
Indifferent	19.2%	29	151
I don't know the difference between banks & credit unions.	49.7%	75	151
	100.0%		
6. Do you use any banking services?	(Circle all that apply)	154	
Yes, I use a bank.	54.4%	86	158
Yes, I use a credit union.	2.5%	4	158
No, I use neither.	43.0%	68	158
	100.0%		
6A. If yes, then which services do you use?	Please circle.	100	
Savings account	17.6%	41	233
Checking account	27.5%	64	233
Bank issued credit card	4.3%	10	233
Debit Card	20.6%	48	233
ATM	14.2%	33	233
Wire transfer service offered by a bank or credit union.	3.4%	8	233
Money order purchases at credit union/bank	8.6%	20	233
Bank credit or loan to buy a car	2.6%	6	233
Bank credit or loan to buy or improve a home	1.3%	3	233
	100.0%		233



7. Which services could banks offer that would motivate you to open accounts? Which of these banking services interest you most? (Circle all that apply) 124

Savings account	22%	66	301
Debit Card	15%	44	301
Checking account	14%	41	301
Bank issued credit card	11%	33	301
Bank credit or loan to buy or improve a home	10%	30	301
ATM	8%	24	301
Money order purchases at credit union/bank	8%	24	301
Bank credit or loan to buy a car	7%	21	301
Wire transfer service offered by a bank or credit union.	6%	18	301
	100%		

8. If you do not use a credit union or bank, what do you use? (Circle all that apply) 57

Check casher	23%	15	64
Payday lender	8%	5	64
Pawnshop	3%	2	64
Grocery store	34%	22	64
Other	31%	20	64
	100%		

9. How much do you spend per month to cash your paychecks and to use money orders to pay your bills? (Circle one.) 70

\$1 - \$3	27%	19	70
\$4 - \$7	21%	15	70
\$8 - \$10	20%	14	70
\$11 - \$15	16%	11	70
Other amount (please specify)	16%	11	70
	100%		



10. If you do not have a bank or credit union account or do not use any banking services, why do you not use them?	(Circle all that apply)	51	
No time.	22%	13	60
No confidence in the banking system.	7%	4	60
I do not think it is to my benefit given my income or my spending habits.	10%	6	60
Banks charge too many fees.	10%	6	60
I fear that the banks or credit unions may violate my privacy and share my information with other entities.	22%	13	60
Other, please explain.	30%	18	60
	100%		

11. If you do not have a credit union or bank account, would you be more inclined to open one if you could use the Matricula Consular or other foreign government identification?	(Circle one.)	80	
Yes	75%	60	80
No	25%	20	80
	100%		

12. If you have a credit union or bank account, what is the most difficult aspect about opening and maintaining an account?	(Circle all that apply)	72	
The charges	19%	16	85
Inconvenience	12%	10	85
Difficulty of the process	7%	6	85
Lack of Spanish speaking bank employees	51%	43	85
Other, please explain.	12%	10	85
	100%		



13. What services do you use to send money to Mexico/Latin America?	(Circle all that apply)	132	
Bank	5%	7	136
Credit union	2%	3	136
Western Union or other similar service	74%	100	136
I send it with relatives traveling there.	4%	6	136
I do not send money to Mexico/Latin America.	2%	3	136
Other (Please state.)	13%	17	136
	100%		

14. How much money do you send each time you send money to relatives in Mexico/Latin America?	(Circle one)	122	
\$0 - \$100	26%	32	125
\$101 - \$200	24%	30	125
\$201 - \$300	20%	25	125
\$301 - \$400	10%	13	125
\$401 or more	20%	25	125
	100%		

15. How often do you send money home?		125	
Once a month	50%	62	125
2 times or more per month	40%	50	125
2 times or more a year	4%	5	125
Once a year	2%	2	125
Other, please state.	5%	6	125
	100%		



16. How much in the form of fees do you pay each time you send money to Mexico or Latin America?	(Circle one.)	125	
\$1 - \$10	69%	86	125
\$11 - \$20	25%	31	125
\$21 - \$30	2%	3	125
\$31 - \$40	0%	0	125
\$41 or more	2%	3	125
Other, please state.	2%	2	125
	100%		

17. How important would it be for your bank or credit union to offer wire transfer services to Latin America or direct account transfer services to banks in your country?	(Circle one.)	121	
Very important	79%	96	121
Important	8%	10	121
Not very important	12%	15	121
	100%		

18. Would you attend courses on financial education if a credit union or bank in your area offered such a course in your area?	(Circle one.)	117	
Yes	85%	99	117
No	15%	18	117
	100%		



19. What topics would you like to learn more about? Please select all that interest you.		114	
How to budget one's finances	13%	39	305
How to open an account	13%	39	305
How to open an account with a Matricula Consular or other Consular ID card	11%	33	305
How to use checking and savings accounts	10%	32	305
Basic information on credit	14%	42	305
How to find the best deals on sending money to Mexico or Latin America	14%	44	305
Information on wills	4%	13	305
Information on filing taxes	8%	24	305
Information on how to buy a home	11%	35	305
Other, please state.	1%	4	305
	100.0%		



Appendix 6: NEW ORLEANS AREA LATINO ORGANIZATIONS

(The listing does not purport to be a complete listing of all Latino organizations in the area but serves to provide financial institutions outreach guidance and opportunities.)

Organizations

Catholic Charities Archdiocese of New Orleans and its programs the Hispanic
Apostolate Community Services and Immigration and Refugee Services
Hispanic Business Resources and Technology Services
Hispanic Chamber of Commerce Louisiana
Language Access Coalition
Latino Forum
Latinola
Latino Outreach Program of the Common Ground Health Clinic (Algiers)
Puentes New Orleans, Inc.
Workplace Justice Center at Loyola Law School

Churches

El Buen Pastor Baptist Church (Metairie)
Monte de los Olivos (Kenner)
Good Shepherd Hispanic Church (Metairie)

Media

KGLA TV 42 (Telemundo affiliate)
Hispanicneworleans.com
La Fabulosa 830 AM radio
La Prensa (Spanish newspaper)
El Tiempo New Orleans (monthly newsletter)
New Orleans Times Picayune (employment supplement in Spanish)
Latinolanow.org
La Voz de Nosotros at Nola.com

Schools

Esperanza Charter School



Appendix 7: IMMIGRANT FINANCIAL EDUCATION RESOURCE GUIDES

Outreach and Financial Education

- Appleseed has online versions of the Appleseed financial education brochures as well as numerous reports available at <http://www.appleseednetwork.org>.
 - “Banking in a Global Market: a Financial Institution Guide for Offering International Remittance Services,”
<http://www.appleseednetwork.org/Portals/0/Documents/Publications/Banking%20in%20a%20Global%20Market%20report.pdf>
 - “The Fair Exchange: Improving the Market for International Remittances,”
<http://www.appleseednetwork.org/Publications/ReportsToolkits/TheFairExchange/tabid/89/Default.aspx>
 - “Expanding Immigrant Access to Mainstream Financial Services,”
<http://www.appleseednetwork.org/Publications/ReportsToolkits/ExpandingImmigrantAccess/tabid/95/Default.aspx>
 - “Banking Immigrant Communities: A Toolkit for Banks and Credit Unions,”
<http://www.appleseednetwork.org/Publications/ReportsToolkits/BankingImmigrantCommunities/tabid/96/Default.aspx>
 - Financial Access Brochures available at <http://www.appleseednetwork.org/Publications/ReportsToolkits/FinancialAccessBrochures/tabid/103/Default.aspx>
- Cooperativa Comunitaria Latina de Credito/Latino Community Credit Union, <http://www.cooperativalatina.org> has a financial education curriculum and a financial education ESL curriculum available online. Both curricula were designed for the needs of immigrant communities.
- FDIC, “Money Smart: An Adult Education Program,” <http://www.fdic.gov/consumers/consumer/moneysmart/index.html>. This curriculum is available in multiple languages and has an online version and a version geared towards youth.
- Federal Reserve financial education workbook can be accessed at: <http://www.dallasfed.org/ca/wealth>. This is a helpful resource for one-on-one work or as a take home piece. It is available in English and Spanish.
- Minnesota Department of employment and Economic Development created a guide on adapting the Money Smart curriculum (FDIC) for various immigrant communities. <http://www.deed.state.mn.us/youth/MoneySm/FullGuide.pdf>
- My Money offers financial education resources from federal government agencies. <http://www.mymoney.gov>
- Ohio Extension Curriculum, is available in Spanish and was specifically designed for the needs of new immigrants. <http://www.ohiocul.org/Foundation/latinoed.htm>

"For me it would be much better [to have Spanish speaking people at the bank] because I would go with more confidence." - Focus Group Participant

"I have had to practice what I was going to say in English ahead of time."
- Focus Group Participant



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