

Evans, Sandra E

(42)

From: Lorraine M. Watts [nilc3d@earthlink.net]
Sent: Friday, September 06, 2002 7:43 PM
To: regs.comments@ots.treas.gov
Subject: NILC Comments on Customer Identification Programs for Banks, Savings Associations, and Credit Unions

September 6, 2002

Regulation Comments
Attention: 2002-27
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552

Re: Proposed Regulations Regarding Customer Identification Programs For Banks, Savings Associations, And Credit Unions

Dear Sir/Madam:

The National Immigration Law Center (NILC) submits this letter in response to the request for public comments issued on July 17, 2002 by the Financial Crimes Enforcement Network, Treasury; Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; Office of the Thrift Supervision, Treasury; and the National Credit Union Administration with respect to the proposed regulations on the Customer Identification Programs for Certain Banks pursuant to § 326 of the USA PATRIOT Act.

The National Immigration Law Center (NILC) is a national legal advocacy organization whose sole mission is to protect and promote the rights and opportunities of low-income immigrants and their family members. The Center has become nationally recognized for its expertise in immigration law and the employment and public benefit rights of low-income immigrants. We provide policy analysis and advocacy on these issues as well as litigation support, training, publications, and technical assistance. NILC also maintains a heavily relied on publications program addressing low income immigrant issues, including legal articles, fact sheets, issue briefs, and community education materials as well as resource manuals, a substantive newsletter sent to almost 500 subscribers 8 times a year, regular *Benefits E-mail Updates* that go to more than 800 subscribers, several topical listservs, and a heavily used website. NILC has taken the lead, especially since September 11th, to address the myriad of documentation problems many low-income immigrants face in attempting to fully participate in this society.

Increasingly, policymakers and practitioners alike have begun to realize the significant contributions immigrants make to the U.S. economy. Due to dramatic demographic and economic shifts, first-generation immigrant workers comprise almost 1 of every 8 workers in the U.S. and 1 of every 4 low wage workers^[i] head 1 out of every 5 low-income families (below 200 percent of the poverty level).^[ii] The National Academy of Sciences reports that, in 1997, the U.S. reaped a \$50 billion surplus from taxes paid by immigrants to all levels of government.^[iii] In New York, also in 1997, \$13.3 billion (69 percent) of the \$19.3 billion in taxes paid by immigrants went to the federal government in the form of income taxes, Social

09/09/2002

Security taxes, and unemployment insurance.^[iv] Immigrants have a high participation rate in the labor force, are revitalizing many inner city and first-ring suburban neighborhoods, and their labor is considered essential if the U.S. economy is to support the aging "baby boomer" generation in retirement.

One critical component in assisting hardworking and taxpaying immigrants to fully participate in the United States' economy and society is the ability for immigrants to open bank accounts, take out loans, establish a credit history, and eventually participate in the "American Dream" of purchasing a home. Unfortunately, many low-income immigrants face insurmountable obstacles in trying to conduct business with credit unions, banks, or other financial institutions due to the often times onerous documentation requirements these institutions impose on individuals.

NILC submits these comments to express our support for the proposal to allow financial institutions the discretion to accept identifying information such as the Individual Tax Identification Number (ITIN) issued by the Internal Revenue Service for non-U.S. persons who are required to file taxes, as well as passport numbers, alien numbers issued by the Immigration and Naturalization Service (INS), and other similar government-issued identification numbers such as state drivers' licenses or state identification cards. Similarly, we applaud the agencies' recognition of the need for financial institutions to accept documents issued by a foreign government such as the "matricula consular" currently being issued by the Mexican government to many Mexican citizens residing in the United States, and which other governments (such as Guatemala, Honduras, and Ecuador) are considering as well.

We strongly believe that providing financial institutions with the discretion to accept such documents from non-U.S. persons will assist low-income immigrants in gaining financial stability as they support their families and participate fully in the U.S. society. Such measures will assist immigrants in helping to strengthen the economy.

Thank you for the opportunity to comment on these proposed regulations.

Sincerely,

/s/

Marielena Hincapié
Staff Attorney

[i] In 2000, the foreign-born population accounted for 12.4 percent of the total civilian labor force. U.S. Census Bureau, *Profile of the Foreign-Born Population in the United States: 2000* (U.S. Department of Commerce, December 2001); Michael Fix and Jeffrey Passel, *Immigrants and Welfare Reform* (Urban Institute, June 2002).

[ii] Michael Fix, Urban Institute tabulations of Current Population Survey (November 2001).

[iii] National Academy of Sciences, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration* (1997).

[iv] Jeffrey Pasell and Rebecca Clark, *Immigrants in New York: Their Legal Status, Incomes, and Taxes* (Urban Institute, April 1998).