



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

NR 2004-81

FOR IMMEDIATE RELEASE
September 15, 2004

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OCC Publishes Edition of *Insights* Addressing Remittances

The Office of the Comptroller of the Currency today published an edition of *Community Developments Insights* addressing the role of banks in providing money transfer services. “Remittances: A Gateway to Banking for Unbanked Immigrants” describes how banks can use these products to attract unbanked immigrants into the banking system. It also addresses some of the key risks and regulatory issues presented by bank involvement in these products.

“Remittances by immigrants to their home countries are a potential entry point for a whole range of bank products,” said John D. Hawke, Jr., Comptroller of the Currency. “When consumers gain comfort with bank products, they are more likely to develop additional financial skills that allow them to more fully benefit from the American financial system.”

Many banks, especially those located in areas with significant immigrant populations, have devoted major resources to capturing a share of this growing market. According to the Federal Reserve Board’s most recent Survey of Consumer Finances, 22 percent of minority households in the U.S. do not have a bank account.

A number of banks believe that by offering immigrants who do not have banking relationships a product that they can immediately use, banks will have an entry to cross-sell a variety of other bank products to these consumers. Some banks have developed accounts, designed specifically for recent arrivals to the U.S., that can be easily linked to a remittance product. The Treasury Department estimates that, on a worldwide level, remittances sent by workers to their home countries exceeded \$90 billion in 2003.

This edition of *Community Developments Insights* also addresses a number of legal, compliance, and operational considerations that financial institutions should be aware of when offering remittance products. These include money laundering, customer identification, and third party provider risk.

This *Insights* can be found on the news release page of the OCC web site by going to www.occ.treas.gov and clicking on the news release button on the left side of the page.

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The OCC charters, regulates and examines approximately 2,000 national banks and 51 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation’s banking assets. Its mission

is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.