

Appleseed



Contact: Shay Farley
Alabama Appleseed
334.263.0086
shayfarley@bellsouth.net

-or-

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Patti Riippa
Appleseed
202-347-7960, ext. 104
priippa@appleseednetwork.org

NEW GUIDE HELPS BANKS PROVIDE FAIR AND EFFICIENT SERVICES TO GROWING INTERNATIONAL REMITTANCE MARKET

Montgomery, AL – **The Alabama Appleseed Center for Law & Justice**, along with the Appleseed network of public interest justice centers in the U.S. and Mexico, this morning released a first-of-its kind guide to assist banks and other financial institutions in better serving the growing remittance market. Immigrants living in the U.S. sent \$45 billion to Mexico and Latin America in 2006, according to recent estimates from the Inter-American Development Bank.

In addition to providing a detailed market overview, **“Banking in a Global Market”** offers a comprehensive hands-on approach to setting up transparent and efficient remittance services, drawing on the experiences of large and small financial institutions throughout the U.S.

“Appleseed has found banks need guidance in starting remittance programs and serving the immigrant market. It’s win-win: by offering remittance services, financial institutions get new customers, and immigrants have more safe and convenient places to remit money, keep savings, build credit without paying high and unpredictable transaction fees,” said John Pickens, executive director of Alabama Appleseed. “We think this Guide will be very helpful to Alabama banks that already have or want to start a remittance program.”

Over the past four years, the Appleseed network has educated immigrant communities about the U.S. financial services system and highlighted the market potential in immigrant communities to financial institutions. Appleseed has pressed for transparency in the remittance market, urged that a history of sending remittances be considered evidence of credit-worthiness, and fought taxation of remittances.

Approximately 100 banks and credit unions in the U.S. currently offer and actively market consumer remittance products. “That is a fraction of the number that could be providing remittance services to growing immigrant communities,” according to Ann Baddour, senior policy analyst for Texas Appleseed and lead author of the guide. Among Latin American immigrants, 70 percent of remittance senders use cash-to-cash transfer services through money transfer businesses such as Western Union and MoneyGram, while estimates of remittances sent through banks range from five percent to 19 percent.

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Through detailed profiles of 11 financial institutions, Appleseed's guide illustrates six approaches to setting up remittance programs. The profiled financial institutions are: BankCherokee, Central Bank of Kansas, Citizens State Bank, First Bank, Harris Bank, Latino Community Credit Union, Mitchell Bank, Pinnacle Bank, United Americas Bank, U.S. Bank and Wells Fargo.

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A copy of this Guide can be downloaded from the Appleseed website:

www.appleseednetwork.org

Appleseed, a nonprofit network of 16 public interest justice centers in the United States and Mexico, uncovers and corrects social injustices through legal, legislative and market-based structural reform. Appleseed and Appleseed Centers bring together volunteers from the law, business and academic professions to devise long-term solutions to problems affecting the underprivileged and underrepresented in such areas as education and financial access. For more information, visit: www.appleseednetwork.org.

ADDITIONAL APPLESEED CONTACTS:

Ann Baddour

Senior Policy Analyst and lead report author

Appleseed Financial Access Project

512-473-2800, ext. 104

512-203-3556 (cell)

Eric Gutiérrez

Immigration Policy Director

202-347-7960, ext. 120

(Available for Spanish-language media)

CONTACTS FOR PROFILED FINANCIAL INSTITUTIONS:

Latino Community Credit Union

Angel Romero

Media Relations

919-688-9270

United Americas Bank

Jorge Forment

President and CEO

404-240-0101

Mitchell Bank

James Maloney

President and CEO

414-277-9080

Wells Fargo

Lisa Westermann

Assistant Vice President, Public Relations

Wells Fargo Card Services

415-222-6236

415-845-7759 (cell)

Pinnacle Bank

Daniel Padilla

Director of Latino Banking

402-434-3134