



Comptroller of the Currency
Administrator of National Banks

Remittances

A Gateway to Banking for Unbanked Immigrants

Community Affairs Division
Office of the Comptroller of the Currency

Why Are Banks Interested?

- Industry observers predict continuing growth of immigrant markets
- Nurture lasting banking relationships
- Profitable product (fee income)

How Do Remittances Work?

- Joint arrangements with foreign banks
- Single bank model
- Money transmitter model
- Bank/money transmitter arrangements

Risks and Regulatory Issues

- Money laundering
- Customer identification
- Third party providers
- New product due diligence
- Regulation E and deposit insurance
- Potential CRA credit

Barriers to Bank Growth

- Loyalty to current provider
- Money transmitters have many locations and convenient hours
- Access to banks abroad and comfort with bank products may be limited
- Lack of comfort with English
- Perception of minimum deposit policies



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