

# CREDIT UNION TIMES

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Sarah Snell Cooke

## Myths About Serving Immigrants

NATIONAL HARBOR, Md. — Neighborhood Economic Development Advocacy Project Associate Director Deyanira Del Rio explained that exploring anything new may be a scary proposition right now for some credit unions, but it's critical for others.



Neighborhood Economic Development Advocacy Project Associate Director Deyanira Del Rio headlined the session 'The Regulatory Framework: Myths and the Reality of Serving Immigrant Populations' with NCUA General Counsel Bob Fenner during NAFCU's 42nd Annual Conference and Exhibition.

The median household income of the foreign-born population is \$46,600. More than half (53%) own homes, versus 68% for those born in the U.S., and immigrants sent \$42 billion worth of remittances in 2006, according to Del Rio.

The NCUA is getting proactive in its low-income designations and, at the time of publication, was just days away from issuing a letter to credit unions on how to provide payday lending alternatives within CUs' regulatory framework, according to General Counsel Bob Fenner. A main sticking point with payday loan alternatives, he noted, is CUs' 18% APR usury ceiling. Additionally, credit unions should offer the product without trapping the member into the exact same cycle the payday lenders do, he said.

Fenner added that if a credit union has any trouble with an examiner regarding these issues, the institution is free to contact him directly at [bobf@ncua.gov](mailto:bobf@ncua.gov) or 703-518-6541.

NEDAP has partnered with Lower Eastside Peoples' Federal Credit Union, where Del Rio serves on the board, specifically to expand the credit union's reach into the immigrant market. LESPFCU is also looking into business lending to reach this market.

Some credit unions have expressed concern about serving people without Social Security numbers. However, Del Rio explained that a credit union customer identification program only requires a name, birth date, address, and identification number, including an Individual Taxpayer Identification Number or a foreign government-issued ID.

The opportunity for credit unions is enormous with the immigrant population in the United States at 38 million, or 13% of the population; 47% of the immigrants are Latino, she said.