

Acting Comptroller of the Currency Michael J. Hsu

Remarks for the Financial Literacy and Education Commission's Public Meeting

Meeting the Needs of New Americans: Creating Opportunity

April 10, 2024

Thank you Acting Assistant Secretary Schaffer for chairing this meeting and thank you Director Chopra. I'm pleased to be with the FLEC today and glad to see the important topic of financial literacy and inclusion for new Americans on the agenda.

As a child of immigrants, today's topic hits close to home. I'm not alone. More than a quarter of Americans have their own immigration story or know the immigration story of one or more of their parents.¹ Many more Americans recall their grandparents' or great-grandparents' journeys.

The United States is home to more international migrants than any other country.² Serving this population is no small part of supporting a financial system that is inclusive and fair, as well as safe and sound. It also is an important opportunity for the future of banking.

New Americans are important drivers of our economy, including through entrepreneurship and innovation. Immigrant-owned firms create jobs, develop new products, and engage in research and development that contribute to economic productivity.³ To attain success, entrepreneurs need access to capital and financial services. The OCC encourages banks to pursue

¹ Immigrants and their U.S.-born children number approximately 90.8 million people, or 27 percent of the total civilian noninstitutionalized U.S. population in 2023. Janne Batalova, "[Frequently Requested Statistics on Immigrants and Immigration in the United States.](#)" Migration Policy Institute (March 13, 2024).

² International Organization for Migration, "[United States of America.](#)"

³ Kyung Min Lee, Mee Jung Kim, J. David Brown, John S. Earle, Zhen Liu, "[Are Immigrants More Innovative? Evidence from Entrepreneurs.](#)" U.S. Census Bureau Center for Economic Statistics Working Paper CES-23-56 (November 2023).

opportunities to serve new Americans so that they fully benefit from our financial system and so that banks gain from growing sectors of the economy.

One of the most fundamental steps in serving new Americans is to expand the provision of services and materials in languages other than English. We know that foreign-born households are substantially more likely to be unbanked than other Americans, with foreign-born non-citizens nearly three times as likely to be unbanked as United States-born consumers, according to the FDIC.⁴ I am interested in hearing from our speakers today about best practices in overcoming language barriers to financial inclusion.

Banks may also be able to help new Americans into the financial system by exploring innovative ways to work within the current regulatory framework and considering risk-based adjustments to their account screening processes to accept more forms of identification for account opening, which may include consular identification cards and municipal IDs. Banks can similarly consider partnering with immigrant-serving organizations. The OCC has reminded banks that no customer type presents a single level of uniform risk, or a particular risk profile related to money laundering, terrorist financing, or other illicit financial activity. Banks should take a risk-based approach to customer due diligence, rather than make broad-based decisions affecting whole categories or classes of customers when provisioning access to services, capital, and credit. This applies to consumers who regularly transact across borders.

The chance to acquire assets, including homes, is another way immigrant families can benefit from American opportunities. As the Urban Institute recently reported, a handful of lenders are providing mortgage financing for some of the millions of residents with Individual

⁴ Federal Deposit Insurance Corporation, [2021 FDIC National Survey of Unbanked and Underbanked Households](#), Appendix Tables (A.2).

Tax Identification Numbers, enabling them to buy homes and build wealth in their communities.⁵ Additionally, some banks offer products that enable their Muslim consumers to purchase homes without taking on a traditional mortgage.⁶ These products may look like lease-to-own arrangements, co-investment, or a deferred sale to the customer. I'm interested to learn more about the needs and possible solutions to help more Americans acquire assets in ways consistent with their beliefs.

Beyond providing customized products, banks can develop compliant special purpose credit programs to extend credit, including mortgages and small business loans, to meet the needs of specified classes of persons. We are pleased to see banks expand these offerings in low- and moderate-income and minority communities around the country. Banks are also pursuing opportunities to extend access to consumer credit to consumers without a credit score, based on their deposit account history. I am looking forward to hearing from our speakers today what might be additional credit needs and ways banks can meet those needs.

Finally, I'll note the value of banks working with community partners, such as refugee resettlement organizations, faith-based organizations, and financial educators, to connect new Americans to the financial services that can help them stabilize and thrive. Working with trusted community organizations, which understand their complex needs, is a vital step in helping new Americans weave into the fabric of our country.⁷

⁵ Laurie Goodman, Aniket Mehrotra, and Amalie Zinn, [“ITIN Mortgages: Barriers and Opportunities to Advance Latino Homeownership.”](#) Urban Institute (February 2024).

⁶ Renee Haltom, [“Islamic Banking, American Regulation.”](#) Federal Reserve Bank of Richmond (2014).

⁷ International Rescue Committee, [“Financial Capability for New Americans: Lessons from Early Interventions with Refugees”](#) (May 2017).

The OCC has resources to support the work of banks and their partners. These resources include our Financial Literacy Resource Directory,⁸ which highlights resources in multiple languages, and our updated fact sheet on “Financial Capability,”⁹ which highlights best practices in delivering financial capability programs.

I look forward to the discussion today and learning more about this important topic.

⁸ [OCC Financial Literacy Resource Directory](#).

⁹ OCC Community Developments Fact Sheet, [“Financial Capability”](#) (March 2024).