



WHAT STATES & LOCAL GOVERNMENTS CAN DO TO Support Immigrants' Financial Stability

Current aggressive federal immigration enforcement has created massive disruption throughout the U.S. and significant financial hardship in impacted communities.

Racial profiling by immigration officials means Black and Latino communities are particularly harmed.

People in impacted communities are reasonably concerned that any information they provide in connection with accessing financial services or in interactions with federal, state, or local government could be used to target them for detention and deportation, regardless of immigration status. Immigration officials' access to and use of an unprecedented array of information further drives immigrants out of the formal banking sector and leaves immigrant families exposed to abuse and predation by fringe financial service providers. Mainstream financial service providers may also be emboldened to discriminate against immigrants by the federal

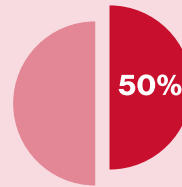
government's refusal to enforce fair lending and fair housing statutes. In addition, fear of being in public spaces can lead immigrants to miss court hearings and not assert their rights in debt collection, evictions, and other legal proceedings. Below are ways that states, counties, and local governments can help protect immigrants, their families, and communities from financial exploitation and other consumer abuses.

The categories we address are: **cash**, **anti-discrimination**, **fraud**, **criminal legal system**, **access to justice**, **consumer privacy and data**, **financial and social assistance**, **rental housing**, and **language access**.

600%



The Trump Administration has increased the use of **“at-large” arrests in U.S. communities by 600%**, putting families at financial risk when wage earners are arrested.



According to **a Nov. 2025 report**, 50% of immigrants report difficulty paying for essentials — up from 30% in 2023 — and 50% say that it's increasingly difficult for them to earn a living.

Protect the Cash Economy

CONSUMER PROBLEMS

Immigrants fear using the banking system because it may require providing information about their immigration status, which leads many to rely on cash.

STATE SOLUTIONS

Enact legislation to protect consumers who pay in cash at retailers offering goods and services. (e.g., MA Gen. L. ch. 255D sec. 10A)

Bolster Anti-Discrimination Protections for Immigrants

CONSUMER PROBLEMS

STATE SOLUTIONS

Immigrants are subject to a wide variety of discriminatory housing and credit-related policies and practices.

Increase protections for immigrants in civil rights, human rights, and fair lending laws. Include explicit disparate impact liability and strong anti-retaliation provisions.

Banks and credit unions may close or deny deposit accounts to certain immigrants based on their immigration status or the type of identity document provided by the consumer.

Make clear that banks and credit unions may bank applicants with ITINs and accept alternate forms of ID to open accounts such as municipal IDs. (See [Treasury Comment at 13-14](#), [NCLC FAQ](#).)

Financial assistance programs offered by private and public institutions, such as colleges, hospitals, and social services, can exclude people with certain immigration statuses.

Prohibit creditors and social service providers receiving state funding from discriminating against people with certain immigration statuses in applications for financial assistance.

Prevent Fraud that Targets Immigrants

CONSUMER PROBLEMS

STATE SOLUTIONS

Fraudsters contact people in immigrant communities and threaten them with arrest or deportation if they don't pay nonexistent debts.

Bring enforcement actions against fraudsters and abusive debt collectors. Create multi-lingual campaigns to inform consumers about illegal debt collection and tiplines for reporting abuse.

Fraudsters prey upon immigrants seeking assistance with immigration status, charging exorbitant fees for nonexistent immigration programs or ones for which the person does not qualify.

Regulate immigration consultants ("notarios") (e.g., [Cal. Bus. & Prof Code §22440-49](#)). Bring civil (e.g., [UDAP statutes](#)) and criminal enforcement. Engage in education/outreach. Increase legal assistance.

Fraudsters and predatory lenders prey on immigrants reluctant to interact with financial institutions.

Bring enforcement actions against fraudsters and predatory lenders. Create multi-lingual campaigns to inform consumers about illegal financial services and tiplines for reporting abuse.

Prevent Needless Interaction with the Criminal Legal System

CONSUMER PROBLEMS

STATE SOLUTIONS

Immigrants may be arrested for crimes of poverty — e.g., outstanding fines and fees, or driving on a license suspended due to such debt — and then deported.

Eliminate fees from the criminal legal system, stop suspending driver's licenses for outstanding debt, and decriminalize poverty-related offenses. Prohibit law enforcement from collecting immigration status data and from affirmatively contacting ICE, unless required by federal law (e.g., [MA's H.5316](#), [Washtenaw County MI Prosecutor's Policy](#)).

People who miss a court appearance after a money judgment is entered against them may have a civil warrant issued for their arrest.

Eliminate civil arrest warrants for non-payment of money judgments (e.g., [CO HB 16-1311](#); [Cook County, IL program](#); [TX SB 1913](#)).

Ensure Immigrants Can Access Courts and Counsel

CONSUMER PROBLEMS

STATE SOLUTIONS

Immigrants may fear appearing at civil court proceedings, such as eviction or debt collection lawsuits, due to fear of ICE arrest.

Ban civil arrests at and near courthouses (e.g., [IL's HB 112](#), [NY's SB S425A](#)). Allow parties to opt in to participating remotely in court proceedings.

Some immigrants are detained in state prisons or local jails. Costly phone calls impede their access to counsel before they may be transferred or deported.

Provide access to free communications to people — including immigrants — detained in state and local correctional facilities.

Protect Immigrant Consumer Data

CONSUMER PROBLEMS

STATE SOLUTIONS

Consumer data — including data shared with financial services companies, landlords, social services, colleges and universities, and utility companies — can be used to target people for immigration enforcement.

Where possible, prohibit collecting information about a person's immigration status. Prohibit sharing personally identifiable data that includes or can be linked to immigration status information. (E.g., [MD Data Privacy Act](#).)

Ensure Immigrant Access to Financial Assistance and Social Services

CONSUMER PROBLEMS

STATE SOLUTIONS

Immigrants are wary of going to social services offices for financial assistance because they fear these locations will be targeted by immigration officials.

Permit remote applications and remote appearances for appointments. Restrict access to city, county, and/or state property by immigration officers. ([Vera report](#))

Federal financial assistance programs, including for utility assistance (LIHEAP) and student loans, exclude people with certain immigration statuses.

Expand state social services programs where federal programs exclude people with certain immigration statuses (e.g., [305 ILCS 20/20](#)). Provide students with affordable repayment and relief options for debt.

Loss of income — because wage earners are detained or because families fear leaving their homes — leads households to struggle to pay mortgages, property taxes, student loans, auto loans, and other obligations, and harms credit records.

Require lenders and servicers to temporarily stay a foreclosure if the inability to pay is due to the detention of a wage earner that the borrower depends on for payment of the mortgage.

Require lenders and servicers to offer forbearances or payment relief and in such cases to refrain from negative credit reporting per industry standards.

Restrict warrantless access to non-public work areas by immigration officers (e.g., [CA AB 450](#)).

Enhance financial assistance programs, including utility assistance and rental assistance. Create affordable payment plans for tax bills based on household income that waive past due interest. Allow temporary, interest-free deferral of taxes owed.

Protect Immigrant Tenants

CONSUMER PROBLEMS

STATE SOLUTIONS

Detainees, their families, and those fearing detention may not be able to pay rent, leading to evictions and records that will appear on future tenant screening reports.

Ensure that detainees and those fearing detention can seal/expunge any resulting eviction records.

Require Language Access for Public Agencies and Financial Transactions

CONSUMER PROBLEMS

STATE SOLUTIONS

Immigrants receiving notice from state or local government agencies or the courts may not be aware of their rights described in the notice.

Require agencies to provide documents to all recipients in the top two languages used in the jurisdiction, provide them in other top languages upon request, and broadly offer oral interpretation. ([NCLC report](#))

Immigrants seeking loans or facing debt collection may require in-language information to understand the transaction or vindicate their rights.

Require lenders and debt collectors to provide bilingual Spanish-English key notices to all, provide them in other top languages upon request, and broadly offer oral interpretation.

Lending products are pitched to immigrants in their primary language, but federally required Truth-in-Lending disclosures and monthly statements are available only in English.

Require lenders and servicers to provide key disclosures and statements in English and Spanish, provide them in other top languages upon request, and broadly offer oral interpretation.

Immigrants (other than Spanish speakers) cannot obtain their credit reports in their primary language.

Require credit bureaus to provide credit reports in the top five languages in the state (in addition to Spanish) (e.g., [NJ Rev Stat § 56:11-34](#) as implemented by [N.J.A.C. 13:45A-38.4](#)).

To speak to an expert about any of these problems or solutions, please contact Michael Best, mbest@nclc.org.

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The nonprofit National Consumer Law Center® (NCLC®) works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.

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