What States & Local Governments Can Do to Support Immigrants' Financial Stability:

BANKING & PAYMENTS

National Consumer Law Center

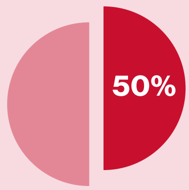
Fighting Together for Economic Justice

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 drives many 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 more comprehensive **What States & Local Governments Can Do to Support Immigrants' Financial Stability** issue brief contains NCLC's full list of recommendations. This document highlights the recommendations related to banking and payments.

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.

Bolster Anti-Discrimination Protections for Immigrants

CONSUMER PROBLEMS	STATE SOLUTIONS
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.)**

Prevent Fraud that Targets Immigrants

CONSUMER PROBLEMS	STATE SOLUTIONS
Fraudsters and predatory lenders prey on immigrants reluctant to interact with traditional banks.	Bring enforcement actions against fraudsters and predatory lenders. Create multi-lingual campaigns to inform consumers about illegal financial services and tiplines for reporting abuse.

Protect the Cash Economy

CONSUMER PROBLEMS	STATE SOLUTIONS
Immigrants fear using the banking system because it may require providing information about their immigration status, which leads many to rely on cash.	Enact legislation to protect consumers who pay in cash at retailers offering goods and services. (e.g., MA Gen. L. ch. 255D sec. 10A)

To speak to an expert about any of these problems or solutions, please contact Carla Sanchez-Adams, csanchezadams@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.