

Appleseed This Week

eNewsletter - July 22, 2010



A nonprofit network of 16 public interest justice centers in the U.S. and Mexico, Appleseed is dedicated to building a society in which opportunities are genuine, access to justice is universal and equal, and government advances the public interest.

SAVE THE DATE

Join us in Washington, DC on for our annual fall gala.

OCTOBER 7, 2010

For more information and/or to RSVP, please contact Nakia Kelly at 202.347.7960 or [email her here](#).

Remittance Standards Signed into Law

As President Obama approached the podium, a mood of excitement and celebration suffused a room packed with legislators, public officials and activists - among them, Appleseed leaders Betsy Cavendish and Annette LoVoi - who gathered yesterday to witness the signing of the historic financial reform bill.

For Appleseed, the excitement was especially pronounced, as the new law includes long-needed remittance transparency standards that will help ensure the safe, affordable transfer of billions of dollars each year from immigrant workers in the United States to their families abroad. Reflecting many Appleseed recommendations, [Section 1073](#) of the Restoring American Financial Stability Act requires remittance providers, among others things, to disclose vital service information prior to a transaction.

"The remittance disclosure provisions are one of those 'small' good things that are not small at all," said Walter Dellinger, a Washington lawyer and former Justice Department official.

"Every time I pass workers who came from another country doing difficult and vital work to help love ones in need abroad, I hope I will remember to quietly thank Appleseed for its part in this good, humane step."

Key provisions of the law establish improved standards in the following areas ([click here for a more detailed list](#)):

Transparency: The details to be provided in a written pre-transaction notice include the amount of money that will be received by the designated recipient, any fees charged by the remittance provider, and the exchange rate to be used in the transfer. A post-transaction receipt with additional details, including a statement of the sender's rights and regulatory

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contact information, also must be provided.

Language Access: Disclosures must be provided in English and any other language "principally used by the remittance transfer provider."

Financial Education: The law includes remittances in the mandate of the Strategy for Assuring Financial Empowerment (SAFE), a program that provides financial education.

Credit Scoring: The government must submit a report on the possible use of remittance histories for credit scores, a critical provision because remitters demonstrate habits of savings and responsibility that are not reflected in a strong credit score. [Click here](#) to view Appleseed's "Value of a Credit Score" report.

Remittance flows from United States, which reached an estimated \$47 billion in 2008, play an integral role in both poverty alleviation abroad and asset building here in the U.S. Because about 80 percent of remitters earn less than \$30,000 per year, even small savings are vital to both sides of a remittance transaction, and up-front disclosures will not only allow for comparison shopping, but likely drive down costs through increased competition.

As a nearly decade-long advocate for increased transparency in the remittance market, Appleseed applauds the efforts of lawmakers to help transform our carefully crafted proposals into action. [Click here](#) to view Appleseed's full body of work on international remittances, including our Fair Exchange pilot program and Congressional testimony.