REACHING THE IMMIGRANT MARKET:
CREATING BANKING AND HOMEOWNERSHIP OPPORTUNITIES FOR NEW AMERICANS

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America’s Immigrants

New Immigration Growth Centers

Source: Urban Institute
America’s Immigrants

Immigrants Live in Cities and Suburbs

Percent of Population, March 1999 CPS

- **Central Cities**: 45.0% Foreign-Born, 28.3% Natives
- **Balance of Metro Area**: 50.4% Foreign-Born, 51.2% Natives
- **Non-Metropolitan**: 4.6% Foreign-Born, 20.6% Natives

Source: Urban Institute
Immigrants face major barriers to banking and homeownership

- Cultural assumptions/lack of familiarity with U.S. credit system
- Lack of credit history
- Conventional tools used by financial institutions to measure creditworthiness
- Language limitations
- Conventional mortgage products out of reach for low income
- Limited supply of affordable housing
Step One: Understanding the Immigrants
How immigrants come to the U.S.

- Most admitted with “green cards” — Lawful Permanent Residents on citizenship track
- Refugees — also expected to make permanent home (can apply for green card a year after their arrival)
- Temporary immigrants with visa to study or work on a time-limited basis
- Unauthorized — enter without permission or stay beyond lawful temporary period. Many join family with legal status.
Understand immigrant values orientation

- Explore “community” versus “individual” orientation

- Appreciate the importance of relationships
  - Takes time
  - Customers will follow trusted banker

- Acknowledge the significance of in-language materials
  - Comprehension
  - Respect
Step Two: Building Institutional Support
Develop management support

- Present market opportunity
- Ensure senior management support
- Create senior level accountability
- Identify department leads
- Commit to regular reporting and follow-up
Step Three: Establishing Institutional Capacity
Create a multilingual staffing plan

- **Everyone involved in the hiring process needs to**
  - Recognize the importance of multilingual employees
  - Acknowledge that candidates may need training
  - Learn the personal characteristics valued by identified culture
  - Know the employee characteristics valued by the organization
Step Four: Reaching New Americans
Develop an outreach strategy

- Establish a presence in the community

- Use multi-tiered approach which includes
  - Partnerships
  - Education
  - Advertising
  - Sponsorships
  - Volunteer activities

- Develop a strategy that is creative and attentive to community needs
Step Five: Determining Creditworthiness
Evaluate and modify underwriting guidelines

- Standardized screening miss immigrant financial portrait
  - Undocumented income
  - Pooled household income
  - Supplemental income
  - Employment history
  - Credit history
  - Verifying assets

- Assess whether credit guidelines meet the needs of immigrant communities

- Modify guidelines
  - Protect safety and soundness while reflecting immigrant life experience
Step Six: Developing Effective Loan Products
Evaluate and modify loan products and services

- Conduct internal and external research
- Evaluate current loan products
- Evaluate competitors’ loan products
- Develop criteria that serve immigrant markets
  - Lower down payments
  - Higher qualifying ratios
  - Latitude regarding immigrant status
Step Seven: Developing an Action Plan
For more information or to order;

Reaching the Immigrant Market
A Strategic Business Planning Workbook

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