

September 16, 2004

The Honorable C. W. Bill Young  
Chairman  
Committee on Appropriations  
H-218  
The Capitol  
Washington, DC 20515

Dear Chairman Young:

I am writing from Woodstock Institute in Chicago to comment on the amendment proposed by Congressman Culberson to the 2005 appropriations bill for transportation and treasury agencies. Woodstock Institute is a Chicago-based nonprofit organization dedicated to promoting community reinvestment, credit access, and sound financial services to lower-income and minority neighborhoods both locally and nationally. For over 30 years, Woodstock has supported legislation and regulation in the best interest of low-income consumers.

I urge you to oppose legislative language offered by Congressman Culberson as an amendment to the 2005 appropriations bill for transportation and treasury agencies approved on July 15, 2004 by the Transportation, Treasury, and Independent Agencies Subcommittee of the House Appropriations Committee. We are concerned that this amendment will undermine the final rules adopted by the U.S. Department of the Treasury in accordance with Section 326 of the USA PATRIOT Act, which allows for financial institutions to accept foreign-issued identification, specifically the Mexican consular ID, commonly referred to as the *matrícula consular*. We believe that the final Section 326 rules strike a balance between efforts to intercept the financing of terrorist activities and the ability of financial institutions to open accounts by accepting certain forms of foreign identification.

The *matrícula consular* is simply an identification card. It **does not** “legalize” the status of any immigrant, it **cannot** be used to obtain any immigration or citizenship benefits such as work authorization or the right to vote, and it **cannot** be used to obtain public benefits. Its continued use and acceptance, however, does have a positive impact on the communities where immigrants work and reside and fosters greater transparency, which benefits us all.

Mexican consular IDs enhance public safety and reduce the number of unbanked consumers. *Matrículas* make communities safer because they facilitate easier access to mainstream financial services, which deters crimes and predatory schemes against immigrants, who are more vulnerable not only because they are more likely to have a lot of cash on hand to pay for daily needs, but because they are the least likely of residents to report crimes to local police. Unbanked individuals often carry large sums of cash making them easier targets for crime – especially theft or robbery. Because of these safety concerns, more than 1,000 police departments throughout the country support the use of these IDs along with efforts to link immigrants workers to mainstream financial institutions as a means of reducing crime and violence in neighborhoods and communities and as a

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means of promoting good community policing. In addition, acceptance of *matriculas* will decrease the amount of unbanked consumers. Currently, people without bank accounts spend up to three times as much for basic services, such as check cashers. Unbanked consumers also lack access to instruments like savings accounts that encourage modest savings. Further, the unbanked may not be able to establish a credit history, which has implications for future credit applications and for employment and insurance coverage. Currently, over 350 financial institutions accept *matriculas* and, as a result, these immigrants can open bank accounts, allowing them to deposit their money safely in a bank.

I urge you to remove the legislative language included in the Culberson amendment to ensure that the final rules as promulgated under Section 326 of the USA PATRIOT Act remain unchanged. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Marva E. Williams  
Senior Vice President

MEW/bab

cc: Woodstock Institute Staff

September 16, 2004

The Honorable David R. Obey  
Ranking Member  
Committee on Appropriations  
1016 LHOB  
Washington, DC 20515

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