

Hiding in Plain Sight

crc

How Rhetoric and Policies are Hurting California's Immigrant Communities and Families

A Survey of Community-Based Nonprofits



CALIFORNIA REINVESTMENT COALITION

Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame
Is the imprisoned lightning, and her name
MOTHER OF EXILES

Emma Lazarus

From "The New Colossus," at the base of the Statute of Liberty

September 2017

This report was prepared by Kevin Stein. CRC gratefully acknowledges our members who shared their expertise in this survey and who are standing up with immigrant families every day.

I. Introduction

Immigrant communities in California are under attack by the federal government.

Immigrant families are part of the fabric of American communities and economies but real and perceived threats are causing them enormous harm. Immigrants from all corners of the globe have been coming to this country for hundreds of years, reflecting the nation's highest values and ideals as a beacon of opportunity for those fleeing persecution or seeking a better life.

And immigrants are an integral part of this country, spurring innovation, contributing an estimated \$11.74 billion annually to the state and local tax bases¹, serving in the armed forces, creating businesses and jobs, helping businesses hire needed workers, and supporting local school districts and education. Immigrant residents have also made significant contributions to the arts, to civic engagement, and to American culture. In 2015, an estimated 27% of California residents were foreign born.²

Yet for some policymakers and residents, immigration ceased to be an

American virtue soon after their families arrived here and settled. On the campaign trail, and then after the election of Donald Trump, immigration rhetoric and policies took a harsh turn. The Southern Poverty Law Center tracked almost 900 hate and bias incidents between the election and a mere 10 days later.³

In response to this rhetoric, reports suggest that immigrant families are less likely to report crimes, to seek justice through our legal system⁴, to seek medical care for their children⁵, or to access needed services like food stamps,⁶ highlighting how the health, safety, and economic security of immigrant families and entire communities are being compromised.

Almost daily, there are stories, reports and anecdotes of families who are living in fear, or who are being deported, and of people and corporations who are eagerly anticipating the profits to be made from this new anti-immigrant climate.⁷

¹ Institute on Taxation and Policy: "Undocumented Immigrants' State & Local Tax Contributions" March 2017.

² Joseph Hayes, "Just the Facts: Immigrants in California," PPIC, January 2017.

³ "SPLC Has Seen Rise In Hate Crime, Domestic Terrorism Attacks," *NPR*, May 27, 2017.

⁴ "ICE agents make arrests at courthouses, sparking backlash from attorneys and state supreme court" *Los Angeles Times*. March 16, 2017.

⁵ "Immigration fears are preventing children from getting medical care" OpEd by Dr. Elisha Waldman. *Washington Post*. June 30, 2017. See also: "Border Patrol Arrests Parents While Infant Awaits Serious Operation" *NPR*. Sept. 20, 2017.

⁶ "Immigrants' fear cited in declining food stamp use in SF," *San Francisco Chronicle*, May 17, 2017.

⁷ Release: "Immigrant And Worker-Led Campaign Targets Corporations Set To Benefit From Trump Agenda" April 2017.

Examples of harm in this new climate:

Parents and children afraid to go to school. After dropping one of his daughters off at school earlier this year, Romulo Avelica-Gonzalez was detained ICE as his wife and other daughter watched. He has lived in the United States for 25 years, and his four daughters were all born in the U.S. Interviewed by the *Los Angeles Times*, Emi MacLean, an attorney for the National Day Laborer Organizing Network, commented: “The bigger issue is this really terrorizes the school community and these families if you think you run the risk of being deported.”⁸

Landlords attempting to illegally evict tenants. Maria, a tenant from Redwood City, received an improper eviction notice in February of this year. When she contacted housing authorities, she received a text from her landlord threatening to call immigration authorities on her if she didn’t comply with the eviction, saying it was a ‘duty’ to report anyone who was undocumented. The landlord further threatened her attorney who worked at a local nonprofit, saying: “I believe the State Bar will be interested (in) my complaint, under the new leadership of our president.” Housing attorneys say that “since Trump took office... tenant harassment, intimidation and discrimination have gotten worse – especially in immigrant

communities throughout California, from Los Angeles and the Central Valley to the Bay Area and Sacramento.”⁹

Corporate actors exploiting immigrant consumers’ fear of deportation. Berneth Javier Castro is an undocumented immigrant in Florida. When he injured his finger on his job, he did not inform his employer for fear of being deported. A few months later, he injured his back while hoisting a load of tiles to a roof, and his employer sent him to a clinic. The clinic gave him some pain pills, but when he returned for a follow up appointment, they said there was a problem with his paperwork, so he didn’t return, and instead used heating pads for the pain, and assumed the matter was resolved. A year later, he was arrested at his home and accused of insurance fraud, though he never submitted false information. State investigators had been tipped off by an investigator who the insurance company had hired.¹⁰

Arrests of undocumented residents on the rise. From February through June of this year, 13,085 undocumented immigrants were detained each month, according to U.S. Immigration and Customs Enforcement, as compared to an average of 9,134 arrests per month during the last three months of 2016.¹¹

⁸ “Immigrant arrested by ICE after dropping daughter off at school, sending shockwaves through neighborhood, *LA Times*, March 3, 2017.

⁹ “Rent increases, evictions up in immigrant communities under Trump housing lawyers say,” *Sacramento Bee*, July 10, 2017.

¹⁰ “They Got Hurt at Work – Then They Got Deported,” *NPR and ProPublica*, August 16, 2017.

¹¹ “A little-known aspect of deportations: foreclosures,” *Marketplace*, August 10, 2017.

II. About the Survey Respondents

The California Reinvestment Coalition (CRC) is a coalition of 300 nonprofit organizations in California. In early 2017, CRC began hearing concerns from our member organizations that their clients were understandably afraid because of inflamed anti-immigrant rhetoric, harsh policies, Executive Orders, potential immigration raids and the difficulty in distinguishing facts from rumors. Social service providers were concerned that clients and neighbors who may have accessed various services were instead going “underground” to avoid scrutiny and possible deportation for themselves or people in their families. Other groups reported increased demand for services such as ESL classes and legal services, in light of fear and uncertainty.

After hearing these reports, CRC devised a short survey of our member organizations to better understand the problems facing client communities, and to inform CRC efforts to craft a response. Forty-three (43) CRC members responded to the survey, representing groups working in communities throughout the state. These organizations provide a wide variety of services, yet also expressed common concerns about how their clients are being impacted. Respondent organizations include: legal service offices, Community Development Financial Institutions (CDFIs), affordable housing developer and providers, housing and consumer credit counseling agencies, fair housing councils, community based organizations providing a variety of local services, and housing advocates.

92% of responding organizations reflect and are involved with immigrants

- 72% of respondents serve immigrant communities through the provision of a service to clients (housing, food, education, financial literacy, job training and placement, small business support, etc.).
- 56% have staff members and colleagues that are themselves immigrants or have immigrant family members.
- 46% of respondents work on policy and advocacy issues that relate to the needs and experiences of immigrant communities.

Respondents are located in:

- Sacramento and northern CA counties
- Modesto, Fresno and Stockton
- San Francisco
- Los Angeles
- Marin and Sonoma Counties
- Richmond
- Fresno
- San Jose
- Oakland
- Alameda and Contra Costa counties
- Orange County
- Santa Barbara and Coastal counties

III. Key Survey Findings

1. Nearly all (98%) of survey respondents are concerned about the separation of families, while a similarly equal majority (95%) are concerned about the deportation of immigrant neighbors and clients.

Strong majorities expressed concern about loss of income for immigrant families:

- As people are dropped from public assistance eligibility (84%);
- From employees being separated from work due to deportation or otherwise leaving their homes (79%);
- Due to fear of showing up for work (68%); and
- Experiencing less access to new employment opportunities (68%).

Respondents are also concerned about real or anticipated threats leading to:

- Children not attending school (68%);
- Fewer affordable housing opportunities being available (63%); and
- The loss of cultural institutions and neighborhoods assets (61%)

Comments

“I have tenants who have quit their jobs because they were afraid immigration would just show up and take them away from their place of employment.”

“[We are concerned about the] breakdown of communities because of mass deportations and family separation, combined with fear of all public institutions.”

“We have a very small loan fund for undocumented persons. Increasing access to undocumented businesses is a priority as they cannot access SBA or Bank loans for small businesses.”

2. Immigrant families have new fears, concerns, and in most cases, a reduced willingness to seek needed services:

- Almost 1 in 5 (18%) of survey respondents have seen a drop in the number of clients seeking services since the election.
- 1/3 of respondents have not seen participation drop among immigrant clients, but recognize clients are anxious for their safety and security.
- Another 1/3 of respondents have not seen a drop in client participation, but the organizations are concerned that clients will go underground and refuse to seek needed services for which they qualify.

Comments

“We have heard from our legal services and community partners that people are not signing up for programs they are eligible for and desperately need (health care, food stamps, cash assistance) and, in some cases, are dis-enrolling in programs they currently are using and eligible for because of fear. In addition, we have heard of housing authorities telling tenants that any immigrants, including legal immigrants, will have to move out.”

“Arab (tenants in our building) have increased participation in an ESL class for Arab women and asked for more know your rights training. The size of the ESL class has doubled and we have organized more trainings.”

“Mixed status families are worried about being on benefits programs because they think they will be dinged by “public charge” rules.”¹²

“We have parents who are afraid to leave their home and walk their children to our afterschool program.”

“We see increased anxiety from both documented and undocumented clients. No one feels that they are safe, and there is a general lack of clarity about what is a risky activity and what isn’t.”
“Our Financial Literacy, Financial Coaching class continues to see large numbers of clients seeking our program but they frequently discuss fear of deportation.”

3. Nonprofits are concerned about budget cuts and less funding for programs and organizations that help vulnerable communities meet critical needs.

- Almost 2/3 of respondents (62%) are concerned that the current rhetoric and proposed budget policies relating to immigration will lead to less funding for critical services.
- 10% of respondents reported seeing funding *already* reduced.
- CRC members are trying to be creative about funding sources, and looking for new ways to replace lost funding so they can continue to provide critical support to immigrant and other communities

Respondents expressed concerns that new federal budgets could include:

- Cuts to Legal Service Corporation funding for legal services, including funding for legal representation of immigrant children
- Cuts to funding for the Department of Housing and Urban Development (HUD) (which provide support for fair housing education and investigations, Community Development Block Grants, Low

¹² For more information on the current status of federal policy on immigration and public benefits, and its relation to a draft Executive Order on public charges that was “leaked,” see National Immigration Law Center, “Trump’s

Executive Orders and Immigrants’ Access to Health, Food, and Other Public Programs,” March 22, 2017, available at: <https://www.nilc.org/issues/health-care/exec-orders-and-access-to-public-programs/>

Income Housing Tax Credits, HOME, rental assistance programs).

- Cuts to the Community Development Financial Institution fund which facilitates lending by CDFIs for housing, small business, community facilities and other local needs. CDFI lending often fills the gaps left by banks that do not meet local credit needs.
- Cuts for the Department of Labor youth employment programs.
- Less support for rural areas.

Comments

“The per capita rate for administration of our federal victims of trafficking program decreased by 10% by the funder and our case load also decreased as they fear coming forward/deportation. We have adjusted staff in another state program and are subsidizing with unrestricted funds.”

“We are trying to diversify our funding sources; apply for more local foundation funding and increase our donor base.”

“We are increasing our advocacy for federal funding (Promise Neighborhood, CDFI, CED, and CDBG). We are also diversifying our fundraising strategies to focus less on federal funding and bank funding. We are increasing our strategies in individual donor cultivation and earned income strategies (affordable housing developer fees/interest income from CDFI lending).”

“We have established a for-profit real estate company and are planning to open a mortgage brokerage to supplement our funding.”

“By the time I left, almost 90 percent of our budget was to help people stay in their homes,” Shaun Donovan told me. “So when you have a 15 percent cut to that budget, by definition you’re going to be throwing people out of their homes. You’re literally taking vouchers away from families, you’re literally shutting down public housing, because it can’t be maintained anymore.”

“Is Anybody Home at HUD?” New York and ProPublica August 22, 2017

Survey respondents were asked: “What do you see as the greatest threats to federal funding, if any, under the new Administration?”

“Anti-immigrant and anti-refugee policies could reduce or eliminate federal funding. They are also asking for more (mostly realistic) private sector funding replacements.”

“California is rightfully seeking to become a sanctuary state and our city is anticipating becoming a sanctuary city. While I do not think it will be legal to cut federal funds for this reason, I am convinced that other reasons will be used to cut additional affordable housing/fair housing funds.”

“[We are concerned that] tax reform will bring about massive cuts to federal programs and tax credits.”

“We fear rental assistance and the HOME Partnership Program will be decreased, along with the devaluation of Low Income Housing Tax Credits due to tax cuts on the wealthy and corporations.” Note: The Federal HOME Investment Partnerships Program is the largest federal block grant program to the states and local governments

designed to create affordable housing for low-income people.

“[We are concerned about] changes to the Affordable Care Act, cuts to numerous housing programs, adding work requirements and time limits to programs that don't currently have them to reduce costs, or stopping COLA (Cost

of Living Adjustment) increases so that funding is effectively reduced.”

“[We are concerned about] disclosure of information regarding tenant legal status.”

4. CRC members live and work both inside and outside sanctuary cities

Background: Prior to May, there was not a set definition for sanctuary cities, but it was a term used to describe approximately 300 cities across the nation with varying levels of not fully cooperating with federal immigration officials.¹³ In April, a federal court blocked an Executive Order that sought to withhold funding from sanctuary cities.¹⁴ The Law Foundation of Silicon Valley, a CRC member, filed two amici curiae briefs with Co-counsel Cooley LLP on behalf of dozens of nonprofit organizations and associations throughout California, in support of Santa Clara County and San Francisco motions in the case.¹⁵

In May, Attorney General Jeff Sessions released a memo, defining sanctuary cities as those that refuse to comply with Section 1373, which requires local officials to share information with federal officials about individuals' immigration status. Sessions also suggested that Sanctuary Cities who refused to comply with Section 1373 could be prevented

from obtaining funding from the US Department of Justice or the Department of Homeland Security.¹⁶

Some jurisdictions are seeking to clarify the separation between local law enforcement and federal immigration officials by establishing sanctuary cities. The California Legislature passed SB54 a bill that would make California a sanctuary state.¹⁷

Survey respondents see benefits of the sanctuary designation, as well as a need for greater clarity.

- 55% of respondents live or work in Sanctuary Cities; 45% do not.
- Cities mentioned as having or considering some form of Sanctuary City status include: Salinas, Coachella, Sonoma County, San Diego, and Los Angeles.
- Some respondents expressed concern about the loss of funding to

¹³ “A Multimillion Dollar Questions: What’s a Sanctuary City?” *USA Today* April 26, 2017.

¹⁴ “Justice Dept. rules intensify crackdown on sanctuary cities,” *Associated Press*, July 25, 2017.

¹⁵ Law Foundation release “We Won,” April 25, 2017.

¹⁶ “Jeff Sessions finally defined what “sanctuary cities” are” *VICE News*. May 23, 2017.

¹⁷ Lawmakers Vote To Make California A ‘Sanctuary State’ *NPR*. September 16, 2017.

Sanctuary Cities, while others were unclear on the legal effect of such designations and to what extent immigrant families were protected.

- Several respondents expressed support for and positive experience with Sanctuary Cities.

When asked how the sanctuary city designation has been helpful, or could be helpful, respondents highlighted how it could reduce fear in communities while also improving relations between immigrants and local law enforcement.

Respondents who do *not* live in sanctuary cities were asked if they thought it would be helpful for their clients.

“I think it would make immigrant clients feel as though they were safer and they

were more supported, which would likely make them feel more comfortable seeking out services.”

“[Sanctuary city status] decreases the atmosphere of fear. It aligns the populace to the moral imperative of protecting immigrant communities.”

“I think [sanctuary city designation] can improve relations between local law enforcement and the immigrant community.”

“[Becoming a sanctuary city] helps us to feel more secure in that at least some government agencies appear to care about immigrants. The American Immigration Council has documented the positive effects of this non-cooperation, including increased confidence and trust in law enforcement.”

5. Respondents provided several suggestions on how to ensure that all residents feel safe and secure, including suggestions for how the California Reinvestment Coalition can activate its coalition membership to take action.

Suggestions for CRC-led advocacy:

“[Lead advocacy efforts] around the impact of the community as a whole from deportations and fear.”

“Make sure member organizations know our rights and responsibilities related to these issues.”

“Advocate and work to get politicians on board.”

“Be vigilant to ensure that the state does not impose legal residency requirements on residents of state funded affordable housing properties.”

“Support local advocacy groups, allow them to speak and outreach onsite.”

“Lobby that Low Income Housing Tax Credits aren't cut.”

“CRC can make issues known, join a coalition to push for clear rules, favorable to our immigrant communities.”

“Giant corporate greed is going to be more of an issue with Trump giving everyone permission to lie, cheat and steal and de-regulating everything. So, continuing your current work policing giant banks is still vital.”

Information and Public Outreach were often cited as critical antidotes to address the fear created by rhetoric, rumors, and policies coming from Washington DC.

“As a Hispanic myself coming from parents who once immigrated to this country, I am here because of them. The majority of our clientele are Hispanics. People come to us because they want to get information and to get resources. There are a huge number of families who do not know where to go, or how or who to ask for help.”

“[We would like to have] clarity around the safety and security of data held by financial institutions and related threats.”

“[Our community needs] greater dissemination of information regarding protections and the work those of us are doing who are fighting to enforce immigrants’ rights, available in multiple languages.”

“More ‘Know Your Rights’ campaigns are needed.”

Immigration Reform

“Closing the borders doesn't mean we have to deport and split up families who

have become productive members of our community. Help them become legal faster and cheaper.”

“[There is a need for] immigration reform to make our procedures more humane.”

Better Protection of Families

“There needs to be more than lip service paid to being a sanctuary city and state. We need to put in strict barriers to accessing our data and residents from federal law enforcement. We also need to organize around proactive and public resistance to ICE raids.”

“The more protective legislation that we can pass, at least in California, the better. The more protections we have for our clients, from cities, counties, and the state, the more that we can do to continue to serve them and to prevent people from going underground.”

“The more protections we have for our clients, cities, counties and the state, the more we can do to continue to serve them and to prevent people from going underground. And providing supportive services to those at risk, including assisting with emergency plan preparation.

IV. Recommendations to Key Stakeholders

Everybody has a role to play to ensure that California remains a sanctuary for those seeking the American dream. Immigrants contribute immensely to the economy of our state and the rest of the nation by starting small business that create jobs, boosting demand for local consumer goods, paying taxes, and increasing overall GDP. Immigrant families contribute to the rich cultural diversity that makes our state an unparalleled beacon of innovation, creativity, and hope.

Californians, and the public, private, and social sector institutions that serve and do business in our state, must fight back and stand up on behalf of immigrant families and communities.

California's U.S. congressional delegation must be held accountable to oppose this harsh and inhumane federal agenda which is already harming families in their districts.

The California Governor, Attorney General, and Legislature must do more to resist federal anti-immigration efforts. As our federal government reduces (or considers reducing) civil rights at the federal level, the California Legislature must move to immediately replace these protections at the state level.

Nonprofit organizations should seek opportunities to work more closely together across functional silos. Direct service providers should seek new opportunities to team up with advocacy organizations to mobilize immigrant residents to take on greater leadership roles in their communities. Organizing strategies should be informed primarily by community members themselves in coordination with nonprofit, government, and corporate stakeholders.

Banks and other corporations wield great influence with policymakers and in communities, and they must take assertive measures to protect immigrant workers, neighbors, and customers. Banks and corporations should refrain from any cooperation with immigration officials, and should increase their efforts to make credit and financial services available to all qualified consumers.

Foundations must find new and innovative ways to support organizations that are working diligently with immigrant communities to provide critical services and to expand protections. With the constantly shifting landscape related to immigration policy and rhetoric, foundations must think differently about how they can remove as many constraints as possible in how funds for immigrant security and safety are utilized.

V. Policy Recommendations

After a chaotic nine months, it is clear this administration's top priorities include further criminalizing immigrant communities and defunding critical programs that low income communities, communities of color, and immigrant families rely on. Community stakeholders must work together to develop a coordinated strategy that leverages our respective strengths and community ties to promote policy measures that provide immediate and long-term solutions to help allay threats to immigrant residents families.

1. Resist Unjust Federal Policies and Protect Our Communities.

Earlier this year, plans leaked out suggesting the administration is seeking to criminalize participation in programs that support working families, such as Food Stamps, the reduced price school lunch program, WIC, and emergency Medicaid. While immigrants already face many eligibility restrictions for these programs, those with children can apply for some programs, like Food Stamps. According to the leaked plans, the administration would change a long-standing definition of "public charge," potentially making participation in these programs a possible cause for deportation. At the time of this report being released in September 2017, those plans have not yet been implemented.¹⁸

In response to the Federal Government's anti-immigration policies, advocates should pressure Congress to:

- A. Provide permanent protection for all 11 million undocumented immigrants** residing in our country and allow for family reunification and provide greater access for those seeking asylum from oppression, and for those seeking a better life for their families.
- B. Restore DACA to provide the opportunity for young people to stay in the land where they grew up,** and support a clean passage (not tied to other policies) of the DREAM Act, the Deferred Action for Childhood Arrivals (DACA) program, and the Temporary Protected Status (TPS) program.
- C. Resist any attempts by the Trump administration to make applications for or receipt of any income-based public benefits a basis for deportation** or denial of entry, residency, or naturalization. All families in the United States should be eligible for critical safety net services including Food Stamps, school lunches, WIC, college financial aid, home heating assistance, and public health services.

¹⁸ "Trump's draft plan to cut off food stamps for immigrants could cause some U.S. citizens to go hungry" *Washington Post*. February 3, 2017.

D. Resist efforts to restrict eligibility for the Child Tax Credit (CTC) to only people who have Social Security numbers (SSNs). Proposed budget measures would require that both the taxpayer parent filing for the CTC, as well as the qualifying child have an SSN to receive the benefit. This policy would primarily harm working-class taxpayers and millions of U.S. citizen children who live in mixed-immigration status families.

E. Stop funding ICE detentions and deportations.

F. Increase funding for the Department of Homeland Security's Office of Community Partnerships, which supports the Countering Violent Extremism (CVE) program that battles all forms of domestic terrorism. Despite Trump's wishes to the contrary, CVE should focus its work to counter white nationalism.

G. End any funding or construction of a wall along the Mexican border. Funds should be used to support working families, not exclude them.

H. Ensure all residents of this country have equal protection and access to opportunity, employment, housing, consumer rights, and public safety. To do otherwise, enables targeting of immigrants and makes everyone less safe. This includes increasing support and removing restrictions so that legal service lawyers can serve all residents, especially those facing detention or deportation.

2. Advocate for State-Level Reforms.

California can and should be a leader in protecting the rights and security of immigrants.

The state should pass legislation to:

A. Become a sanctuary state. SB54 (de Leon) would clarify that local law enforcement should not help enforce federal immigration law, consistent with the directives of sanctuary cities. A sanctuary state would relieve pressure on local governments who may fear retaliation if they are one of the few jurisdictions to take this important step. The bill is currently on the Governor's Desk.

B. Provide greater protection from discrimination and harassment to immigrant tenants. AB 291 (Chiu), is a bill co-sponsored by the California Rural Legal Assistance Foundation and Western Center on Law and Poverty. AB 291 bars landlords from disclosing information related to tenants' immigration status for the purpose of retaliation, harassment, or to influence a tenant to vacate the home. The bill would also prohibit landlords from threatening to report tenants to immigration authorities, whether in retaliation for engaging in legally-protected activities or to influence them to vacate. This bill is on the Governor's desk.

C. Renew the state’s commitment to Affirmatively Further Fair Housing. In the face of an administration seemingly unconcerned with enforcing fair housing laws, AB686 (Santiago), co-sponsored by Public Advocates, Western Center on Law and Poverty and National Housing Law Project – will ensure local governments are doing their part to fight displacement and create equal housing opportunities for all.

California Attorney General Xavier Becerra should continue legal fights to protect all Californians.

AG Becerra is uniquely positioned to continue to take strong stands against the president’s decision to end DACA, the Muslim ban and funding threats that are tied to Sanctuary City and Sanctuary State status, and to enforce protections against scammers who may prey on increasingly vulnerable, immigrant communities. The Attorney General has taken a leadership role in challenging the Administration’s decision to end the Deferred Action for Childhood Arrivals (DACA) initiative.¹⁹

3. Secure and Expand Financial Security and Economic Opportunity for Immigrant Families and Communities.

Economic stability is now more important for immigrant families as their homes, workplaces, and other spaces they inhabit become targets for merciless detentions and deportations. Immigrant families know better than anyone the obstacles, challenges, and opportunities to help create new income supports and protections.

A. Service based organizations and advocacy organizations must work hand in hand to support immigrants by developing their leadership and bringing their organized voices to make powerholders (banks, government, corporations) responsive to their needs.

B. Nonprofits should increase outreach to immigrant residents and other family members of mixed-status families who are going underground – denying themselves access to critical benefits and asset protections that they and their children are legally entitled to. Non-profits, social service providers, and government agencies need to work closely together to ensure that families know which public benefits they are entitled to.

C. Improve California’s Earned Income Tax Credit so that immigrants with ITINs can also claim it. Eligibility for the CalEITC was expanded in 2017 to benefit more working families, which is a positive move.²⁰ The next improvement

¹⁹ “Attorney General Becerra Leads DACA Lawsuit Against Trump Administration” PR. Sept 11, 2017.

²⁰ “State Budget Expands Earned Income Tax Credit” *capital public radio*. June 22, 2017.

should be to expand eligibility so that immigrants with Individual Tax Identification Numbers (ITINs) are also able to qualify for the credit.

4. Banks Should play a Meaningful Role in Preserving Opportunity for Immigrants.

While banks can support immigrants, this doesn't always happen. A federal court recently held DACA students denied credit by Wells Fargo could sue the bank under the Civil Rights Act. The case was brought by California League of United Latino Citizens on behalf of UC Riverside student Mitzie Perez and other young adults.²¹

A. Make accounts more available: Based on a CRC analysis of existing law (including the Bank Secrecy Act, USA Patriot Act of 2001, and Know Your Customer requirements implemented by the US Treasury Department in 2014), it is clear banks can do far more to support immigrants, including by opening accounts for them and helping them to become "banked." Typical household accounts are of low value (and have a low risk for money laundering or terrorist funding), and therefore do not warrant blanket policies that deny any account without a traditional state issued identification. In fact, federally regulated banks have the discretion to adopt Customer Identification Programs that would allow the bank to open accounts for people with reasonably verifiable forms of identification.

Banks should open up the range of acceptable IDs to open a bank account that will allow immigrants without traditional forms of IDs to take part in the traditional banking system, increase financial empowerment, and economic growth in immigrant communities, and will also increase good will of banks among the people and families they serve. These other forms of ID's may include matrícula consular, ITINs, and employer ID cards, among others.

B. Banks should originate home and small business loans to qualified residents and small business owners who have Individual Tax Identification Numbers, and offer loans to cover costs of those seeking to become U.S. permanent residents and citizens. Banks should also increase investments in CDFIs and community lenders that serve all communities, in particular immigrant communities that need access to credit now more than ever. Banks can and should increase their philanthropy to better support critical programs supporting immigrant families.

C. Reassure customers their information will remain private. Immigrants may also have concerns about banks reporting their immigration status to federal authorities. However, based on a CRC analysis of the federal Right to Financial Privacy Act of 1978, the Gramm-Leach Bliley Act, and the Federal Trade

²¹ "Immigrants denied credit by Wells Fargo may sue bank, judge says," *Reuters*. August 4, 2017.

Commission's Privacy of Consumer Financial Information Rule, law enforcement agencies must overcome specific and high legal barriers to gain access to nonpublic information. In other words, a law enforcement agency must have a legitimate enforcement purpose and probable cause, other than one based on immigration status, in order to gain access to a customer's confidential documents or information.

- D. Partner with community organizations** to provide outreach and education to immigrant communities regarding their privacy rights, information about bank accounts and loan products, how to handle account management and powers of attorney in case of deportations, and where to turn for trustworthy and needed assistance, such as legal services. On the philanthropic side, banks should also support the social service infrastructure, including outreach and legal services that are so critically needed by today's immigrant families.
- E. Banks should ensure lending and services meet the goals and values of financial inclusion and Community Reinvestment Act obligations.** This includes ensuring all marketing and outreach materials and documents are available in the primary non English languages spoken in California by millions of consumers, as well as providing language interpretation services to those who need it. Banks should allow all consumers to open safe and affordable bank accounts (that meet CRC's Safe Money account standards) that accept expanded forms of identification and that minimize fees.

5. Bank Regulators Have a Role to Play as Well.

Banks are often slow to take positive steps without assurances from their regulators. Bank regulators must hold banks accountable for following the rules, including the obligation to serve the credits needs of *all* communities in their assessment areas.

Regulators should:

- A. Issue guidance to banks about protecting client data**, educating consumers regarding their privacy rights, and clarifying their obligations to serve and encourage outreach to all communities in appropriate languages.
- B. Downgrade the CRA ratings of banks** that unnecessarily retreat from serving immigrant communities or that engage in lending or investment activity that leads to displacement of immigrants and low-income residents.²²
- C. Downgrade the CRA ratings of banks that pull back from tax credit programs** in trying to game the tax system (i.e. retreating from the Low Income Housing Tax Credit program as tax reform debates suggest the banks may

²² "Tenants Accuse San Francisco Bank of Financing Evictions" *East Bay Express*. August

18, 2015. See also CRC OpEd: "REO to Rental: Wall Street's Latest Idea Hurts CA Communities" *Shelterforce*. July 29, 2015.

obtain less of a financial benefit from tax credits in a lower tax rate environment) in ways that harm communities. As an example, affordable housing developments (some of which immigrant families would benefit from) that were already planned and moving forward have been put into jeopardy as banks have retreated on their previous commitments related to tax credits.²³

- D. Expand full scope CRA assessment areas in rural** communities which are greatly impacted by proposed budget cuts and that may have large immigrant communities. This will result in stronger commitments by banks to serve and strengthen local communities.

²³ See: "Affordable Housing Market Hurt By Tax Overhaul Uncertainty" *NPR* July 5, 2017. And, in Mountain View, CA: "Trump cuts spell trouble

for local housing" *Mountain View Voice*. March 23, 2017.

More to come...

As part of CRC's work to stand with our members and with immigrant families, in the near future, we will be releasing three additional, in-depth resources, focused on:

- 1) Acceptable forms of identification for opening bank accounts;
- 2) Confidentiality rules that guard bank consumer's information from the federal government; and
- 3) A guide outlining how financial institutions can work with community organizations to better support the financial future of immigrant families.

If you are interested in these resources, please reach out to Andrea Luquetta-Kern, deputy director at the California Reinvestment Coalition: aluquetta@calreinvest.org or (415) 864-3980.



The California Reinvestment Coalition builds an inclusive and fair economy that meets the needs of communities of color and low-income communities by ensuring that banks and other corporations invest and conduct business in our communities in a just and equitable manner.

California Reinvestment Coalition
474 Valencia Street, Suite 230,
San Francisco, CA 94103 (415) 864-3980
www.calreinvest.org