

Appleseed This Week

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June 11, 2009

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Appleseed Presents *Fair Exchange* Findings and Recommendations to Congress

Appleseed's Fair Exchange remittance project took a crucial step forward yesterday, as Field Director Annette LoVoi addressed the House Subcommittee on Financial Institutions and Consumer Credit. Having been invited to testify by subcommittee chair Luis Gutierrez, with whom Appleseed has frequently conferred on remittance issues, LoVoi stressed the importance of pre-transaction price and service disclosures.

During the hearing, Congressman Gutierrez said he would soon introduce legislation that would promote greater transparency in the remittance market.

International remittances, which reached an estimated \$283 billion in 2008, play an integral role both in economic development abroad and wealth-building here in the United States. Because immigrants in the U.S. are found primarily in lower-income communities, and because their families back home typically bear even greater financial hardship, even small savings are vital to both sides of a remittance transaction.

These savings are easier to make if service fees and exchange rates are posted by remittance providers, allowing customers to make more informed decisions. Postings also help to ensure consumers that the funds they send will reach their families securely and on time.

Appleseed's most recent approach to improving remittance transparency relied on market-based reform. Published in February 2009, [Remittance Transparency: Strengthening Business, Building Community](#) shows that there is strong consumer demand for disclosure, thereby indicating that such transparency will allow remittance providers to attract a greater share of this multibillion dollar market.

LoVoi's testimony suggested that federal legislation would help

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to protect consumers - and prevent state-by state regulatory inconsistency - by requiring pre-transaction transparency and promulgating disclosure templates, which would include:

- a sample of locations where the money can be received, if pricing varies by location, and the corresponding fees to send (and pick up) the money;
- the exchange rate and when funds will be available for pick-up;
- the type of transaction (i.e. cash to cash, cash to account, card to card, etc.); and
- sample transaction amounts to illustrate the amount of foreign currency to be received.

LoVoi also noted that the disclosure should be available in the native languages spoken by a remittance provider's primary customer base.

To view LoVoi's full written testimony, [click here](#). For more information on Appleaseed's financial access program, [click here](#).