



Northwest Area Immigrant Asset-Building Initiative

Invitation for Letters of Intent

I. Executive Summary

The [National Federation of Community Development Credit Unions](#) (the Federation) and [Grantmakers Concerned with Immigrants and Refugees](#) (GCIR) are launching the Northwest Area Immigrant Asset-Building Initiative (the Initiative) with the support of the Northwest Area Foundation. The Initiative will support partnerships between credit unions and immigrant-serving organizations to provide integrated financial, legal and social services to immigrant individuals and families. The Initiative will increase access to affordable financing for immigrant individuals and families in the Northwest area pursuing naturalization, Deferred Action for Childhood Arrivals (DACA), permanent residency and potentially, legalization; enable immigrant and refugee populations to participate in the formal economy; and enhance financial capability through a range of safe financial products and services offered by credit unions.

The Initiative's target states include: **Washington, Oregon, Minnesota and Iowa.**

To be considered for this initiative, applicants will submit letters of intent (2-3 pages in length) that propose robust partnerships between credit union and legal and social service providers serving immigrants and refugees in the four target states to participate in a 12-month pilot program that will implement, support, monitor and track the integration of credit union products and services with legal and social services provided by immigrant-serving providers.

Selected partnerships in the four target states will be invited to submit full proposals for funding to support the implementation of an integrated financial and immigration service strategy as well as ongoing tracking of outcomes. Two grants, in the amount of \$37,500 each, will be awarded.

II. Background

Established in 1974 to promote financial inclusion, the Federation is the premier Community Development Financial Institution (CDFI) intermediary that organizes, supports and invests in credit unions serving low- and moderate-income consumers. With 250 member credit unions in 46 states serving a combined membership of more than 3 million low-income Americans, the Federation designs, supports and replicates innovative financial products, services and programs at a national level.

Founded in 1990, GCIR's mission is to influence philanthropy to advance the contributions and address the needs of the country's growing and increasingly diverse immigrant and refugee populations. Through its mission, GCIR seeks to promote effective grantmaking that not only improves the lives of newcomers but also strengthens communities. GCIR works with a growing network of member foundations, as well as the greater philanthropic community, on a wide range of immigration and immigrant integration issues, including education, health, employment, civic participation, racial and economic justice, and others.

Immigrants are a vibrant and dynamic part of the nation's economy. Statistics supplied by the Department of Homeland Security indicate that the average annual number of persons naturalizing has increased from less than 120,000 during the 1950s and 1960s to 680,000 between 2000 and 2009, almost a five-fold increase.¹ In recent years, the share of the US population that is foreign-born has steadily risen from 7.9% in 1990 to 13% in 2011, representing 40.4 million people.² Despite the significant inflows of immigrants and their contribution to the US economy, immigrants represent a large part of the 10 million households that the FDIC estimates are currently unbanked. In fact, non-US born populations are the most likely to be unbanked, with 18.9% of foreign-born-non-citizen households unbanked.³

As immigrants have become an integral part of the working population in the United States, immigrant-serving organizations have begun developing and integrating financial services into their existing work to meet the demand and are increasingly searching for reliable financial partners to deliver quality services. In particular, the cost of obtaining citizenship, permanent residency, DACA or other immigration benefits creates a barrier to full integration for many immigrant families. It is estimated that the cost of citizenship application, including biometric fees, for a family of three living at 2013 federal poverty level could cost an equivalent of 10% of their annual income.⁴ As regulated financial institutions with a mission to serve low-income and underserved individuals, families and communities, Community Development Credit Unions (CDCUs) are well positioned to address this need. CDCUs provide high-quality, low-cost transactional products and services to the communities that they serve, enabling low- and moderate-income populations to take advantage of advanced services such as loans, credit-builder products and financial planning. Nonetheless, there remain significant challenges to helping immigrant communities become part of the formal economy. It takes time to build trust and to develop effective partnerships to help immigrants access financial services and become better integrated with the socioeconomic fabric of the United States.

¹ Department of Homeland Security Office of Immigration Statistics, "US Naturalizations: 2012," *Annual Flow Report March 2013*, https://www.dhs.gov/sites/default/files/publications/ois_natz_fr_2012.pdf

² Immigration Policy Center, "Strength in Diversity: the Economic and Political Clout of Immigrants, Latinos, and Asians in the United States," http://www.immigrationpolicy.org/sites/default/files/docs/usa_2013_0.pdf

³ Federal Deposit Insurance Corporation, "2011 FDIC National Survey of Unbanked and Underbanked Households," http://www.fdic.gov/householdsurvey/2012_unbankedreport.pdf

⁴ Based on figures provided by the US Department of Health and Human Services; 2013 federal poverty income level for a family of three is \$19,530.

Estimate of Potential Clients Eligible for Immigration/Naturalization in Targeted States

State	DACA-eligible Youth	Citizenship-eligible Immigrants	Legalization-eligible Immigrants	Total
Washington	35,059	254,969	230,000	520,028
Oregon	22,148	108,783	160,000	290,931
Minnesota	11,530	129,993	85,000	226,523
Iowa	6,021	41,295	75,000	122,316
TOTAL	74,758	535,040	550,000	1,159,798

Sources: Immigration Policy Center, Rob Paral and Associates, Pew Hispanic Center

In the Initiative's four target states, estimates indicate that a total of 1.16 million are eligible to become naturalized or legalized as shown on the chart above. Immigrants in the four targeted states can account for up to \$23.7 billion in economic activity per year, representing 123,574 jobs. Nationally, immigrants generate \$551.6 billion in economic activity and account for 2.8 million jobs across the United States, providing an emerging opportunity for financial institutions to integrate these groups into the formal economy.

Economic Impact of Immigrants in Four Targeted States

State	Economic Activity Generated	Jobs Impact
Washington	\$14.5 Billion	71,197
Oregon	\$3.4 Billion	19,259
Minnesota	\$4.4 Billion	24,299
Iowa	\$1.4 Billion	8,819
US Total	\$551.6 Billion	2.8 Million

Source: Immigration Policy Center, Estimates for 2013

With the support of the Northwest Area Foundation, the Federation and GCIR seek to foster robust partnerships between CDCUs and immigrant-serving organizations by integrating a suite of safe and affordable credit union products with legal and social immigration services to help low- and moderate-income immigrant clients achieve greater financial security and stability. Successful partnerships will link immigrant individuals and families to credit union loans that cover the costs of various immigration-related applications; financial counseling and coaching to examine the full financial picture; other products and services to build or repair credit, consolidate debt and establish emergency savings and long-term assets; and/or track referrals and results using de-identified data such as types of products and services utilized, account balances, loan amounts and fees incurred.

Through this initiative, CDCUs can reach a new market of credit-union members and immigrant-serving organizations can help its clientele access much-needed financial products and services. By drawing on the financial expertise of CDCUs and the community relationships as well as legal and social service

expertise of immigrant-serving organizations, the Initiative will provide a holistic, client-centered framework for immigrants to participate in the formal US economy.

An ideal partnership will integrate the credit union's financial products into the provision of immigrant legal *and* social services. In all, we hope to identify committed partnerships that have capacity and recognize the opportunity to improve outcomes for low- and moderate-income immigrants.

III. Initiative Objectives

The primary goals of the Immigrant Asset-Building Partnership Initiative are as follows:

- **Establish strategic partnerships** between CDCUs and immigrant-serving organizations and help immigrants connect to safe, affordable financial services that enable them to participate in the formal US economy by building assets and credit history.
- **Develop and implement** a replicable, scalable and sustainable model for providing affordable financing to immigrant individuals and families pursuing naturalization, Deferred Action for Childhood Arrivals (DACA), permanent residency and, potentially, legalization.
- **Support and evaluate the impact** of integrated pilot programs in the targeted markets in 2014-2015 and determine if the programs resulted in improved financial behavior and outcomes for immigrant individuals and families.
- **Advance the field** of asset building, philanthropic investments, and economic vibrancy in immigrant communities.

IV. Structure of Initiative

To launch the Initiative, GCIR and the Federation will identify two promising credit union-nonprofit partnerships across the four target markets to test out different models for integrating credit-union products with immigration legal and social services provided by immigrant-serving organizations. Each of the two participating partnerships will receive funding in the amount of \$37,500 for 12 months to design, implement and track intensive integration of credit-union and immigration services. Partnerships can be between two organizations or more (i.e., partnership between credit union and immigrant legal service provider or partnership among credit union, legal service provider and social service provider). Funds awarded may be used to support: marketing campaigns to promote products and services to the immigrant community; provision of financial counseling services that link immigrants to additional products and services; loan loss reserves for new citizenship loan products; online/mobile account opening or lending technology to facilitate access for immigrant population; or other programmatic purposes that facilitate providing financial services to immigrants at scale.

Selected partnerships will also receive additional technical assistance from the Federation and GCIR, and credit unions may also be eligible to receive non-member deposits. Technical assistance will be geared toward best practices in serving immigrant populations, strengthening opportunities for integration and assessing the compatibility between partners' mission and operations. Technical assistance provided by the Initiative will include:

- Tools on best practices on financial products and policies for serving immigrant individuals and families.
- Recommendations for how current operations will need to change to ensure successful delivery of the updated set of products and services. The recommendations will consider work flows, program marketing, staffing requirements and how to best ensure ongoing client engagement.
- Recommendations for how to best evaluate the impact of enhanced programming.

In addition, the two partnerships will develop, with the Federation and GCIR, a work-plan and commit to regular check-in calls to track the status of program implementation. Partners may also be asked to participate in regional forums and events that disseminate results and lessons learned from this initiative.

V. Initiative Timeline

The Northwest Area Immigrant Asset-Building Initiative is a 12-month pilot program that will commence on May 1, 2014 and conclude on June 30, 2015. The timeline for the initiative is as follows:

January 22, 2014: Invitation for Letters of Intent released.

January 30, 2014: Webinar explaining the scope of the initiative and criteria for prospective CDCUs and immigrant-serving organizations.

February 7, 2014: Letters of Intent due to GCIR and the Federation.

February 7-14, 2014: Application review. The Federation and GCIR will review proposals to determine the appropriateness of the partnership for the goals of the Initiative and select compelling partnerships to advance.

February 17, 2014: Selection of credit union-nonprofit partnerships invited to submit full proposals finalized.

March 17, 2014: Full proposals due; these should detail the proposed partnership, the types of products and services identified as needed by clients, process for connecting clients to those services and the mechanism for tracking outcomes.

March 18 – April 8, 2014: The Federation and GCIR will select two partnerships to support with grants of \$37,500 for 12 months.

April 9, 2014: Selected partnerships announced.

May 1, 2014: Pilot program launched by selected partnerships.

May 1, 2104 – June 30, 2015: Pilot program start-up, implementation, ongoing reporting and evaluation, participation in events and other learning networks.

VI. Instructions for Submission of Letter of Intent

All applicants must be partnerships between one or more nonprofit immigrant-serving organizations and a credit union; deliver services in one of the four target markets; and demonstrate an existing nonprofit/credit union working relationship with a passion and track record for serving the immigrant community. ***All applicant credit unions must be members of the Federation or plan to join the Federation.***

Applicants will prepare a simple 2-3 page letter of intent outlining the partnership between nonprofit service organization(s) and the credit union. The letter should include the following:

- Brief background on participating immigrant service provider(s)
- Brief background on participating credit union
- Clear identification of the lead applicant
- Outline of the current and/or proposed partnership and how credit-union products and services address the needs of immigration service clients and vice versa. Partnership overview should include a brief description of the credit union's existing or planned account opening, banking, and/or lending technologies that enable provision of financial services at scale
- Description of the outcomes the partners expect to achieve
- Discussion of how support in the form of technical assistance, deposits and grants could support overcoming those challenges or obstacles to achieving scale/impact
- Attachment: 501(c)(3) letter or fiscal sponsorship agreement for immigrant service organization partner(s)

Please submit letters to jchang@cdcu.coop **no later than February 7, 2014**. For questions regarding this invitation, credit unions can contact Jason Chang, Program Associate, at jchang@cdcu.coop. Immigrant-serving organizations can contact Walter Barrientos, Project Manager, at walter@gcir.org.