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HOUSTON CHRONICLE ARCHIVES

Paper: Houston Chronicle

Date: Sun 12/10/2006

Section: Business

Page: 1

Edition: 2 STAR

An ID card and an account / U.S. banks find customers in Mexican Consulate

By JENALIA MORENO

STAFF

On a recent visit to the Consulate General of Mexico, Maria de Lourdes Peña was approached by someone you wouldn't expect to find working in a foreign government office - a U.S. banker.

Katherine Flores was there to generate business for Wells Fargo & Co. and offered to help Peña open a checking account.

Peña immediately agreed, since one of the main reasons she was there was to replace her stolen ID, also known as a matricula consular card, so that she could open a bank account.

"I want to have money in the bank instead of in my mattress," said Peña, 37, who would like to use the bank account to help her send money to her three children in Guadalajara.

The San Francisco-based bank's new approach to boosting immigrant customers follows that of Charlotte, N.C.-based Bank of America, which began sending its bankers to the Houston consulate office in July.

In a few weeks, Seattle-based Washington Mutual's representatives will be promoting their bank to immigrants at the consulate.

And on Tuesday, New York-based JPMorgan Chase & Co. announced that it will place its brochures in the lobby of the Mexican Consulate in El Paso and cooperate with the consulate in workshops about its financial services.

"What they are doing is a great idea. They are offering the product to the people who just got the ID," said J. Ulyses Balderas, assistant professor at Sam Houston State University's Department of Economics and International Business.

He's visited the consulate several times as he researches cash transfers to Mexico and has seen Bank of America bankers telling immigrants about banking products.

"Of course banks realize the purchasing power of Hispanics," Balderas said.

Purchasing power

The effort is part of a national trend of financial institutions pitching their services to the growing number of immigrants. Banks are trying to tap into the Latino immigrant purchasing power, which an October study by the Inter-American Development Bank pegs at \$500 billion. That study also found 10 percent of the money earned by immigrants is sent back to families living in Latin America.

Pursuing that market, banks have opened branches in neighborhoods populated by Latino immigrants, advertised in Spanish, hired more bilingual bankers and offered international wire transfers.

Even the Federal Reserve Bank is getting involved. In 2005, the Federal Reserve and Banco de Mexico introduced the Directo a Mexico program to help banks and credit unions offer customers a way to

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remit money to Mexico.

"Everybody is trying to understand the growing Hispanic community and what type of services need to be offered and what services need to be valued," said Rick Jaramillo, senior vice president of market development at Bank of America.

The Latino banking movement gained momentum when banks began accepting the matricula consular, an identification issued by foreign consulates.

Wells Fargo began accepting the identification in Austin in May 2001 to help curb robberies of cash-toting Mexicans, said Laura Jaramillo, Wells Fargo vice president and wife of Bank of America's Rick Jaramillo.

"They're working in the risky cash economy," Laura Jaramillo said of immigrants who don't have bank accounts.

By November 2001, Wells Fargo began accepting the matricula consular in all 23 states where it operates. Now, the bank opens 1,200 accounts every day with the card, Laura Jaramillo said.

Other banks and credit unions then began accepting the card and now at least 27 Texas banks accept it, according to a September study by Texas Appleseed, an Austin-based nonprofit legal center.

More bank accounts

Catering to immigrants appears to be working. The Inter-American Development Bank study found that 49 percent of Latin American immigrants have a U.S. bank account, up from 43 percent when the survey was conducted in 2004.

But immigrants who send money home to Latin America are not going to their neighborhood bank for that service. Only about 3 percent of all money sent to Latin America was through U.S. banks and credit unions, according to the Federal Reserve.

Hoping to encourage immigrants to use banks instead of carrying cash to money wiring agencies, officials with the Consulate General of Mexico in Houston began approaching banks about dispatching personal bankers to the Midtown area government office earlier this year. Bankers also work in consulate offices in other U.S. cities.

"We want to promote banking so our population has access to bank accounts and can send money home with security," said José Borjón, Houston's consul for the Institute for Mexicans in the Exterior.

'Brisk business'

Bank of America officials were immediately interested in the opportunity and worked with the Mexican government, which granted the bank permission to send its bankers to the consulate.

"We've been pleasantly surprised at how brisk business is," Rick Jaramillo said.

Wells Fargo bankers were interested because an average of 500 people a day visit the consulate, according to Borjón. It's a marketing technique other companies have already realized with construction and mortgage firms advertising their services at the consulate for immigrants building or buying homes back in Mexico.

"Here's your audience that's here every day - where they feel comfortable," said Laura Jaramillo.

Now, the Wells Fargo and Bank of America bankers split time at the Mexican Consulate office.

"We make a schedule so we don't have banks fighting amongst themselves," said Borjón.

IMMIGRANT BANKING

1.2 million: Mexicans living in the Houston area.

300,000: Matricula consular cards issued to Houston-area Mexicans.

27: Number of Texas banks out of 32 surveyed that accept the consular card to open bank accounts.

\$19.5 billion: Money sent to Mexico from immigrants in the U.S.

Source: Consulate General of Mexico in Houston, Texas Appleseed, Banco de Mexico and Inter-American Development Bank

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