



State of Washington

## DEPARTMENT OF FINANCIAL INSTITUTIONS

P.O. Box 41200 • Olympia, Washington 98504-1200  
Telephone (360) 902-8700 • TDD (360) 664-8126 • FAX (360) 586-5068 • <http://www.dfi.wa.gov>

October 14, 2022

### **MSBs and Depositories**

Dear Bank and Credit Union CEOs,

For the better part of the past three years, the Department of Financial Institutions has engaged a wide range of stakeholders in a conversation about derisking and its effects on small money services businesses that serve immigrant communities in our state. We've spoken with depository institutions, small businesses, other regulators, and state and federal legislators, all with an eye toward finding a way forward so that these businesses, which are licensed and regulated by this department, may be able to once again gain access to bank account services.

In the course of this conversation we've learned that small money transmitters serving immigrant communities feel categorically excluded from access to account services, and that the result is compromised public safety. We've also learned that existing regulatory guidance may lack clarity and specificity to get Washington's depository institutions comfortable with the idea of providing account services, specifically foreign remittance, to money transmitters serving immigrant communities. This led us to engage in direct conversation with federal regulators about how depositories could effectively comply with Bank Secrecy Act and Anti-Money Laundering guidance and laws while providing accounts to money transmitters.

These discussions have resulted in the accompanying package of regulatory guidance and tools for depositories in banking small money transmitters. We believe guidance provides more clarity and should encourage an appropriate, risk based approach to providing account services to small money transmitters who are attempting to serve their communities and remit funds to vulnerable geographic areas.

The state of Washington enjoys both a strong, diverse economy and one of the largest and most varied immigrant communities in our country. I believe these attributes are interconnected, and that the prosperity we enjoy is a result. Communities that have historically been marginalized and that choose to share their prosperity with others in more vulnerable parts of the world should be supported, as should the small businesses that serve them.

It's my hope that this guidance leads to a greater understanding of how small money services businesses in immigrant communities can be served within existing regulatory parameters, and that the problems caused by derisking can be resolved. I appreciate the good faith willingness to dig into this challenge and hope that you see this as another opportunity to better serve the

communities in which you operate. We look forward to continuing to work with you on this important issue.

If you have any questions, please feel free to reach out to me, Director of Banks Roberta Hollinshead or Director of Credit Unions Amy Hunter.

Sincerely,

Charlie Clark  
Director