
SENATE JOINT MEMORIAL 8004

State of Washington

67th Legislature

2021 Regular Session

By Senator Hasegawa

1 TO THE HONORABLE JOSEPH R. BIDEN, JR., PRESIDENT OF THE UNITED
2 STATES, AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
3 HOUSE OF REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF
4 REPRESENTATIVES OF THE UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of
6 the State of Washington, in legislative session assembled,
7 respectfully represent and petition as follows:

8 WHEREAS, The State of Washington welcomes refugees and immigrants
9 who bravely leave behind everything familiar to seek safety, build a
10 better life, and provide resources for loved ones in their country of
11 origin; and

12 WHEREAS, Approximately one in every seven Washington residents is
13 an immigrant and another one in every seven Washington residents is a
14 native-born U.S. citizen with at least one immigrant parent; and

15 WHEREAS, Many immigrants to Washington transfer money to loved
16 ones in their country of origin in the form of remittances, and money
17 remitted by migrants competes with international aid as one of the
18 largest financial inflows to developing countries; and

19 WHEREAS, Many immigrants have continued to try to send money to
20 their families despite uncertain and changing employment
21 circumstances throughout the COVID-19 pandemic; and

22 WHEREAS, The federal government needs to limit remittances that
23 present significant security risks, and the federal Bank Secrecy Act

1 and related Anti-Money Laundering rules (BSA/AML) impose due
2 diligence, record-keeping, reporting, and compliance program
3 requirements on financial institutions with respect to remittances to
4 foreign countries; and

5 WHEREAS, Some of the countries to which immigrants to Washington
6 want to remit money have little or no central banking infrastructure
7 that makes compliance with BSA/AML rules difficult or impossible, and
8 prevents immigrants from being able to remit money in a safe,
9 reliable manner; and

10 WHEREAS, Financial institutions such as banks play a pivotal role
11 in facilitating commerce and enabling individuals to build financial
12 prosperity; and

13 WHEREAS, Many of the local or community-based money transmitters
14 that service underserved diverse communities in Washington have
15 experienced difficulty in obtaining or maintaining accounts from
16 traditional financial institutions and have seen their accounts
17 closed without explanation or justification, leaving underserved
18 communities without banking options; and

19 WHEREAS, Many financial institutions appear to be engaging in de-
20 risking, whereby they terminate or restrict business relationships
21 with clients or categories of clients in order to avoid, rather than
22 manage, risk; and

23 WHEREAS, De-risking has detrimentally impacted the ability of
24 smaller, Washington-based money transmitters to serve underserved
25 diverse communities, to the benefit of larger money transmitters that
26 operate on a nationwide basis; and

27 WHEREAS, De-risking also presents a threat to public safety, as
28 unbanked businesses often must store and transport large sums of cash
29 at great risk to owners and their employees; and

30 WHEREAS, The state of Washington has an interest in promoting
31 financial inclusion and in ensuring that every individual or business
32 operating in compliance with the law can access regulated financial
33 systems; and

34 WHEREAS, The federal National Defense Authorization Act (NDAA)
35 for fiscal year 2021 expresses Congress's sense that "anti-money
36 laundering, countering the financing of terrorism, and sanctions
37 policies must ensure that the policies do not unduly hinder or delay
38 legitimate access to the international financial systems for
39 underserved individuals, entities, and geographic areas;" and

1 WHEREAS, The NDAA directs the United States Government
2 Accountability Office (GAO) to analyze financial services de-risking
3 and report to Congress, and it directs the Treasury Department and
4 others to review reporting requirements now in effect and propose
5 changes to reduce unnecessarily burdensome regulation and to develop
6 a strategy to reduce de-risking and related adverse consequences;

7 NOW, THEREFORE, Your Memorialists respectfully pray that:

8 (1) Congress pass and the President sign legislation implementing
9 strategies and recommendations that result from directives to the GAO
10 and the Treasury Department under the NDAA; and

11 (2) Such legislation also include:

12 (a) Provisions giving federal banking regulators clarity on how
13 to improve examiners' ability to evaluate banks' BSA/AML compliance
14 as applied to money transmitter accounts;

15 (b) A requirement that financial institutions disclose a specific
16 reason when denying or closing an account; and

17 (c) Provisions to help financial institutions mitigate the cost
18 of due diligence required to comply with BSA/AML provisions impacting
19 money transmitters.

20 BE IT RESOLVED, That copies of this Memorial be immediately
21 transmitted to the Honorable Joseph R. Biden, Jr., President of the
22 United States, the President of the United States Senate, the Speaker
23 of the House of Representatives, and each member of Congress from the
24 State of Washington.

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