

Congress of the United States
Washington, DC 20515

January 25, 2010

The Honorable Timothy Geithner
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Secretary Geithner,

Thank you for your response, dated September 21, 2009, to the letter Reps. Maloney and Wilson, co-chairs of the Americans Abroad Caucus, sent on May 27, 2009 regarding Americans living abroad being denied access to U.S. and foreign banks.

As members of the Americans Abroad Caucus, we have been contacted by Americans living overseas who have been denied accounts or have had existing accounts closed, often with Patriot Act provisions and the lack of a U.S. address cited by financial institutions as cause for denial (see examples in attached document). It is our belief that U.S. banks are using these provisions, whatever their intended effect, as an excuse for denying their services to American citizens abroad.

This continues to be an issue that has spanned several years and over the course of two administrations. We sent a similar letter on this issue on February 20, 2008 and were assured at that time by the previous administration, as you assure us now, that currently there are no American banking laws or regulations preventing Americans living abroad from having accounts with U.S. banks – yet this problem persists.

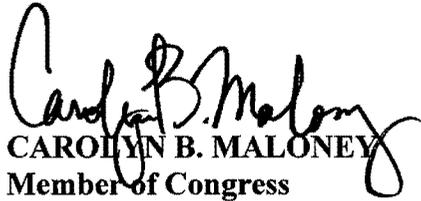
It was also recently brought to our attention that Americans who return to the U.S. for university studies are being denied student loans due to lack of a U.S. address or because a co-signer currently does not live in the U.S. This is yet another example of American citizens living abroad being denied financial services for lack of a U.S. address.

Additionally, we hear from Americans overseas and have read in recent media reports that there continues to be concerns with the new proposed Qualified Intermediary (QI) regulations, that go into effect January 1, 2010. We wish to reiterate our strong support of Administration efforts to fight tax evasion, but our concern is that, as a result of these new rules, foreign banks will deny banking services to American citizens abroad to avoid potential administrative and legal costs to comply.

Americans living abroad are being hit from all sides – unable to bank with U.S. or foreign banks due to U.S. laws and regulations. Americans overseas are selling U.S. products and paying U.S. taxes and are in danger of being completely marginalized by U.S. policies.

We respectfully request that you provide us, in detail, what specific steps the Treasury Department will take to ensure that current U.S. banking laws and regulations do not prevent Americans abroad from accessing the same banking services available to all Americans.

Sincerely,



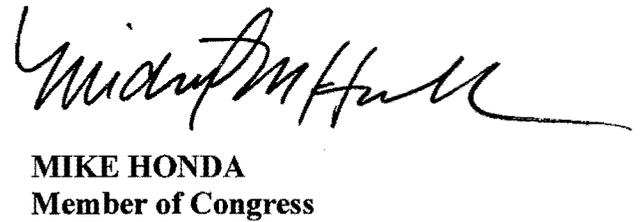
CAROLYN B. MALONEY
Member of Congress



JOE WILSON
Member of Congress



ERIC MASSA
Member of Congress



MIKE HONDA
Member of Congress

Examples of Banking Issues - Collected from Americans Citizens Abroad (ACA)

“I had a brokerage account with **E-trade** for many years. I requested to open up a financial account which carried a higher interest rate. I was refused the new account. When I heard stories from other Americans overseas of banks even insisting that accounts be closed or possibly blocking an account, I took the initiative, transferred my assets from E-Trade to a Swiss bank and closed the E-Trade account. In order to transfer the funds to an account in Switzerland with my identical name on it, I had to first have a letter of instructions **notarized in the United States** and mailed to the bank. (also see **Swiss cases**)”

- Jacqueline Bugnion, St. George, Switzerland

“Netbank of Alpharetta, GA, where I had had an account for at least five years, was taken over by ING. ING quickly **closed my account, despite the fact that I had furnished a US address as they requested.** They then used the US address to send me a check for the balance. Now I have to open an account somewhere, as I have an IRS bill to pay. Excerpt from bank correspondence "...According to the information that we have received from NetBank, we have determined that you have an international (non-US) address on file. ING DIRECT requires that its Customers have U.S. addresses. Please login to www.netbank.com and send a Bank Mail message requesting your Primary and Mailing Addresses for each account to be updated to the U.S. address you provide and can be verified to your name. If you are currently serving in the military, please call us at 1-888-256-6932 or 1-302-658-9593 (if calling from overseas), so we can provide assistance. If your address is not updated by November 25th, 2007, we will close your NetBank account(s)..."

-Christl Cozort, Brussels, Belgium

“I have lived in London for 22 years. I have always had a good credit rating in the US and held various US bank accounts and credit cards since I got my first BankAmericard in 1972. Several years ago I consolidated all my accounts into the Golden 1 Credit Union (which I joined as a University of California alumni association member). This meant that I no longer had to have one of my senior citizen parents named on my US accounts. I originally did this so they could pay any bills in an emergency and because senior citizens get "free checking". However, I have been unable to get a debit card to withdraw money from the credit union account as I do not have a US address. The only way I can get my own money out is to find a branch (not convenient) or by writing a check to a US friend or family member who can give me the cash. The credit union says they can't give me a debit card because I don't have a credit rating any more, which again is because I don't have a US address. Last year, my Bank of America Visa credit card was refused when I was making purchases during a trip to the US. However, I am unable to get a debit card for the checking account or a VISA credit card from the Golden 1 Credit

Union, making it impossible to spend any dollars I do have lodged with them. They said it was because my foreign address meant they were unable to "check" my income or credit rating. I have the same problem with BankAmericard's VISA, where they reduced my credit limit to \$500 once they "realised" that I had moved abroad (about 15 years after I had actually done so), even though I have had a VISA card with them since 1972. I have been converting any US dollars received into UK pounds sterling instead of putting them into my US credit union account because it is so difficult to get the money out again other than by writing cheques to family or friends for cash. I don't have any correspondence on either of these issues as all enquiries were conducted over the telephone. I can see this becoming a problem when my father dies (he is 89, but we are hopeful that it won't be very soon) as I am one of the executors of the family trust and will need to open at least a joint bank account with my brother at that time."

"I was told that I was over my credit limit. When I checked with **Bank of America** I found that **my card limit had gone down from \$8,000 to \$500** - without any notification. The reason given was that I had changed my card to a US address. It took them 18 years to realise this, however, as the higher limit had always been in place during previous visits and the address change dated from sometime around 1989 or 90 (after the birth of my eldest child). The lady on the telephone admitted that nothing could be done about raising my limit even though they had records of my good status with a BankAmericard dating back to 1972, because **I no longer have an official credit history because of the foreign address**. I do not want to change my address back to my parent's home in California - my father is now 89. He may not be at the house much longer, and cannot be relied upon to forward mail. Other family members are not reliable or are too busy. I find this situation frustrating and discriminatory. Mail forwarding services cost money. I only hold a modestly paid school secretary job and can't afford to be regularly paying out US dollars which have to be transferred and exchanged out of my wages paid in UK pounds."

- Trish Drasnin, UK

"My US Citibank credit card was refused renewal after 2001 (after some **15 years of being a good client** and quite a few years of living in France and using it from there)."

"My Washington Mutual ATM card was also not renewed after 2001 - also clearly linked to application of the Patriot Act."

- Heather Etchevers, Toulouse, France

"Wachovia said that because of our foreign address, new rules applied and they had to close our account within thirty days. Despite their threatening to abruptly close our account if we didn't do certain things, and our doing the specific things they asked us to do in order to keep the account open, they continued to threaten closing it until we, out of frustration, asked them to close it. Happily, it is now closed. The clerks were polite and

sympathetic, but it seems the new anti-terrorist rules are having unintended effects as supervisors unfamiliar with us, not the clerks we were able to talk with, made decisions on our account. I was born in San Francisco in 1939, served my country as an Army officer from 1961 to 1963, have been paying U.S. income taxes for 57 years, since 1952, have continually maintained Federal voting residence, and hold a valid American passport. Despite all that, and even though I had been a faithful account holder with Wachovia and its predecessor banks in Arlington, Virginia for over forty-four years, from 1963, they said that the new anti-terrorisism rules required them to close our account because of our address outside the U.S."

- Daniel Flynn, Belgium

"My bank account was recently closed because of the reasons mentioned in your web page (foreign address). I would like to open (re-open) an account without travelling to the US if at all possible."

- Sam Goldenberg, Jakarta, Indonesia

"My husband and I were refused a bank account [from Citibank] because we could not produce any identification that had a U.S. address on it. I have also been told that by other banks."

"I was (and still am) a trustee on my parents' brokerage accounts along with my sister (who lives in Massachusetts). Edward Jones in St. Louis, MO, **froze** the account saying that they **could not do business with someone with a foreign address. This was even though my sister (also on the account) did have a U.S. address.** A call from our lawyer did not change their mind. I did not have the time nor did I want the expense to fight the problem, so we transferred the accounts to another brokerage firm where my husband I have accounts. Since they had handled our accounts for years, they did not have a problem."

- Marline Holmes, Hofheim, Germany

"I have a small account with Morgan Stanley in the US in which I invested funds for my nephews and nieces. I've just received notice from **Morgan Stanley** that they **will now accept only liquidation orders in the account, no purchase orders, and they will not provide any advice or recommendations.** They only say that they have determined that I am international account, meaning living abroad. I think due to my long term relationship with Wells Fargo and the fact that I maintain a WI address and bank online has helped me to avoid any real issues and have always found WF very helpful/efficient (knock on wood)."

- Anne Hornung-Soukup, Geneva, Switzerland

“I have not had an account refused but on two occasions this Patriot's Act has had an influence on the way my conversation with my banks has gone. First I was advised by **TDBanknorth in New Hampshire not to change my address back to the USA** temporarily because it might be difficult to get it changed abroad again.”

- Joan Joffres, Tours, France and Angola

“Extensive correspondence file, including correspondence with President of Bank. Received letter dated May 6, 2005 announcing that the **investment account can no longer be serviced**, effective July 2, 2005, including refusing letter of State Dept. Account is restricted; bank recommends transfer to another bank. The reason for the restriction is due to country residence, France.”

- Mary Jo Korngut, Les Lillas, France

“I am a US citizen residing in Canada. I am a beneficiary under a will of a relative in the US and I want to invest the inheritance in US securities. A recent attempt to establish a self-directed investment account with Bank of America Investments has been denied because the address I maintain in the US is a post office box. I furnished Bank of America with photocopies of my passport, my Social Security card and recent correspondence with the IRS that established my identity and the fact the US government is well aware of who and where I am. Bank of America claims the **Patriot Act prevents them from establishing an account for anyone who cannot furnish a drivers license or utility bill with a US address**. Until now, I did not know that the Patriot Act placed me in the same category as terrorists, arms dealers and money launderers.”

- Kathleen Rittenhouse, Canada

“Refusing me a bank account happened with numerous banks from 1997 onward but has gotten worse as the Patriot Act has now been trotted out as an excuse. I didn't keep a list, but just got used to the idea that if I didn't live in the US, I wouldn't get a bank account with a non-US address. If it weren't for using my PO Box there and my mother's mailing address (a 42 year old man, having to depend on his 60+ year old mother's address), I would find it difficult to keep money there.”

- Danny Sullivan, Chitterne, England

“We've had a checking account with USAA for 30+ years. Last year, we wanted to move our IRAs to USAA. (We're not very happy with the performance of the company where

they are currently, and we'd like to consolidate our US banking.) **Even though we're already USAA clients, we were not allowed to open new accounts for our IRAs. This makes no sense to me, and even the USAA folks agreed,** but that's the way the law is nowadays apparently. It also means that we could lose our IRAs altogether if our current company fails.”

- Kaye Sykes, Netherlands

“With regard to your initiative re US bank accounts for Americans abroad, may I raise another issue. US bank accounts for **non-US nationals** who live outside the US but who **need a US account in order to receive their Social Security payments from the US:** 1) a non US person might have lived and worked in the US and then returned to his/her own country but still qualify for SS income; and 2) a non-US person might be the widow of a US national and thus be qualified to receive SS benefits. **In some cases SS can transfer money into a foreign-based account.** However, this **cannot** be done in other cases (eg, **residents of Switzerland**).”

- Kenneth S. Thompson, Switzerland

“I am an American who has been living in **Taiwan** for five years. Since Taiwanese banks will not offer debit cards to foreigners, I had been doing all of my banking through Netbank. After they were bought out by ING Direct in December 2007, all the accounts of people living outside the US were closed. Unfortunately, this leaves me without a debit card and I haven't been able to find another bank will to offer my services since. I've written more about this on my website: <http://toshuo.com/2007/the-debit-card-dilemma/>”

- Mark Wilbur, Taiwan