

D. Why Offer Immigration Loans?

Small loans can remove the financial barrier to applying for residency status for immigrants that cannot afford the application fee or other costs, putting them on the pathway to greater opportunity and stability. Nearly one in four Americans is an immigrant or child of immigrants.³ Of the approximately 43.3 million immigrants that live in the United States, 20.7 million are naturalized citizens and 13.1 are permanent residents, the majority of whom are or will eventually be eligible for citizenship.⁴ Becoming a citizen can open doors to valuable opportunities to create a better life. Among those opportunities, citizenship provides greater access to jobs, financing for higher education, and legal rights such as the ability to vote. Research shows that naturalized citizens, compared to non-citizen immigrants, fare better in terms of many socio-economic indicators including: earnings, employment, home ownership, and health insurance coverage.⁵

Approximately 8.5 million immigrants are eligible for naturalization⁶, but every year only an average of 650,000 became naturalized.⁷ Potentially due to increased political uncertainty around immigration policy, and/or an uptick in outreach and services to support immigrants with the naturalization process, in the last quarter of 2016, there was a 27.7% increase in citizenship applications compared to the year before.⁸ This shows that there is a demand. Yet, the path to citizenship can be fraught with barriers.

³ Carnegie Corporation of New York. "America's Story." Retrieved Oct. 25, 2017 from <https://www.carnegie.org/interactives/immigration-reform/>

⁴ Center for American Progress. (2017, April). The Facts on Immigration Today: 2017 Edition. Retrieved from <https://www.americanprogress.org/issues/immigration/reports/2017/04/20/430736/facts-immigration-today-2017-edition/>

⁵ Pastor, M., & Sanchez, J., (2016). "Promoting Citizenship: Assessing the Impacts of the Partial Fee Waiver" Los Angeles: Center for the Study of Immigrant Integration, retrieved from http://dornsife.usc.edu/assets/sites/731/docs/CSII_Citizenship_Brief_May2016_Final_Web.pdf

⁶ Pastor & Sanchez, 2016

⁷ US Citizenship and Immigration Services, "Naturalization Fact Sheet."

⁸ Chardy, Alfonso. (2017, May 28) "Citizenship applications on the rise since Trump's election." Miami Herald.

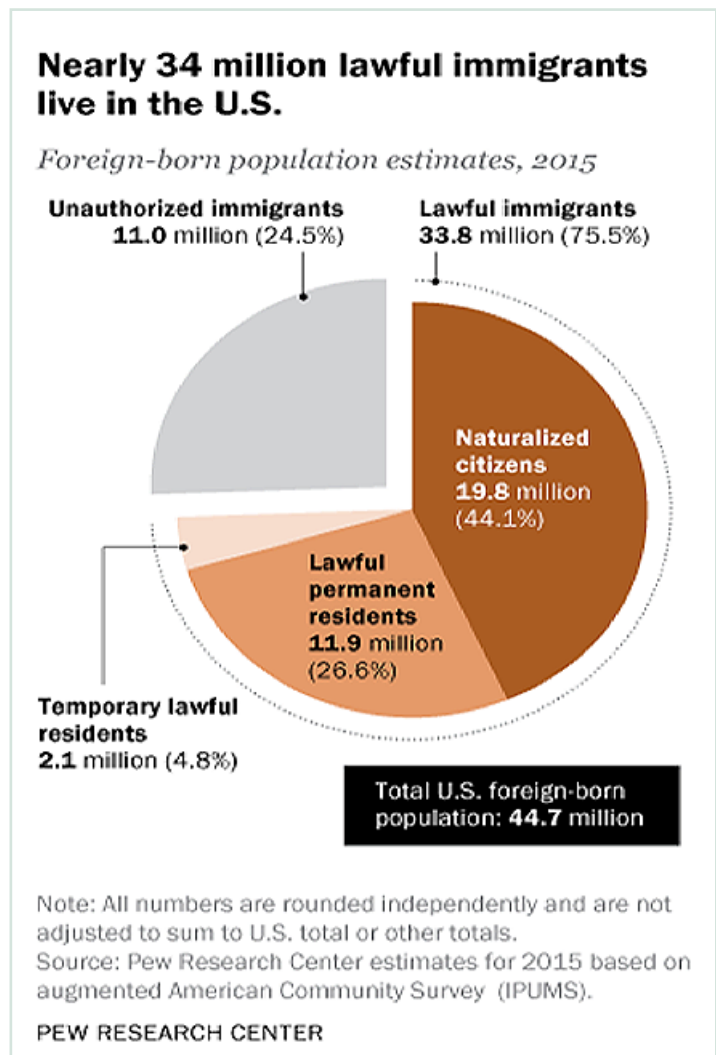
The Pew Hispanic Center sought to understand the reasons behind low rates of naturalization among legal permanent residents (LPRs) from Mexico. Mexican immigrants are the largest immigrant group in the U.S. by far—consisting of about 11.6 million people⁹—and nearly two-thirds of those who are eligible to become U.S. citizens have not taken the steps to do so.¹⁰ When Pew asked LPRs why they had not naturalized, their top three reasons were:¹¹

1. Language and other personal barriers (26%)
2. They hadn't tried yet and/or weren't interested (26%)
3. Financial and administrative barriers (18%). (Among non-Mexican Latino LPRs, an even higher 22% cite financial and administrative barriers as a reason for not naturalizing.)

Naturalization is not the only legal status that comes with costs. The U.S. immigration system is complex. There are a variety of visas, temporary and permanent, each bearing different costs and stipulations, that immigrants can apply to in order to legally reside in the U.S. The current filing fee for citizenship is \$725, consisting of a \$640 citizenship application fee and an \$85 charge for a biometric service fee.¹² An application for a fiancé visa is \$620 (\$535 application fee and an \$85 biometric service fee). The full list of fees charged by U.S. Citizenship and Immigration Services (USCIS) is found [here](#).

An estimated 3.8 million (or 45 percent) of those eligible to naturalize have incomes below 200 percent of the federal poverty guidelines, making the costs prohibitive.¹³

The Pew Hispanic Center found that the costs of citizenship are more likely to be a barrier among older Mexican-born LPRs who have been in the U.S. for 20 plus years, and, unsurprisingly, among those with household incomes of \$20,000 and below.¹⁴ USCIS offers reduced fees or



⁹ Center for American Progress, 2017

¹⁰ Gonzalez-Barrera, A., Lopez, M.H., Passel, J., & Taylor P. (2013). The Path Not Taken. Washington, DC: Pew Hispanic Center, Pew Research Center

¹¹ Ibid

¹² US Citizenship and Immigration Services, "Naturalization Fact Sheet." Retrieved Oct. 25, 2017 from <https://www.uscis.gov/archive/archive-news/naturalization-fact-sheet>.

¹³ Pastor and Sanchez, 2016

¹⁴ Gonzalez et al, 2013

fee waivers for individuals with low-incomes for some types of residency (see box on Reduced or Waived Citizenship Fees), yet many working poor immigrants do not qualify for the fee waiver. For some application, such as Deferred Action for Childhood Arrivals (DACA) and family petitions for a green card, there is no option for a reduced fee or fee waiver. In addition, there are other costs associated with applying for legal residency including:

- Legal fees: for straightforward applications, such as naturalization, attorneys generally charge a flat fee.
- The cost of citizenship or English classes: many nonprofits offer these classes for free, but the classes themselves can be time consuming.
- Missed wages for court appearances: depending on an individual's case, they may only be required to appear in court once, or multiple times.
- Transportation to court: this can be a barrier particularly in rural areas.
- Printing, copying, postage: for submitting documents.

Through this toolkit, we hope to provide one solution (of many) to decreasing the financial barriers to naturalizing or obtaining legal residency. And, the best part is that you don't have to start from scratch. Nonprofit lenders across the country are already offering immigration loans and creating best practices. The Unidos U.S. (formerly National Council of La Raza) lists fifteen different credit unions and nonprofit organizations currently offering the immigration loans (See appendix X).¹⁵

In addition, almost one hundred CBA members provide credit-building services to immigrants across the country. For instance, Asian-American Homeownership Counseling Inc. (AAHC), a homeownership counseling agency serving first-time homebuyers in the District of Columbia metro area, starting offering \$1000 citizenship loans after a community partner identified a need in the community for these types of loans. Mission Asset Fund offers a \$725 zero percent interest loan, using a lending circle model (see Appendix X on Alternative Ways to Facilitate Access to Loan Funds & Products for more on this model), designed to help low-income immigrants cover the cost of a citizenship application. Borrowers make loan payments over a ten-month term and take an online financial education course.¹⁶ All nonprofit lenders surveyed by CBA for this toolkit emphasized that the loans are very low risk (the average charge-off rate among four highlighted CBA lenders was under 1 percent).

REDUCED OR WAIVED CITIZENSHIP FEES

U.S. Citizenship and Immigration Services (USCIS) is able to reduce or waive fees for those that meet certain income criteria:

- Those that receive a means tested benefit, have a household income at or below 150 percent of the Federal Poverty Guidelines (FPG), or can prove that they are currently experiencing financial hardship, such as unexpected medical bills or emergencies, which can qualify for a fee waiver by submitting [Form I-912](#).
- Those with an income between 150 and 200 percent of the FPG can qualify for a reduced (\$320) application fee by submitting [Form I-942](#).

¹⁵ National Council of La Raza, "List of Organizations that Provide Citizenship Loans." <http://www.nclr.org/Assets/uploads/files/immigration/Citizenship%20Loans%20Programs-NCLR.pdf>

¹⁶ Mission Asset Fund. "Lending Circles for Citizenship." <http://missionassetfund.org/lending-circles-citizenship/>