



American Citizens Abroad
The Voice of Americans Overseas

Bank accounts in the United States

Recommended steps for overseas Americans to follow if a U.S. bank refuses either to open an account or to maintain an account because of the client's foreign address

Background

During Overseas Americans Week 2009, meetings were held with the American Bankers Association (ABA) and with FinCen in the Treasury Department (Financial Crimes Enforcement Network, which develops regulations on banking operations). We discussed the fact that our organizations have received multiple complaints from Americans overseas that U.S. banks either forcibly closed their account on short notice or have refused to open a bank account because of their foreign address, most often citing the Patriot Act as the reason.

Both the ABA and FinCen confirm that there is no provision either in the Patriot Act or in the FinCen regulations that prohibit banks from opening and maintaining accounts for American citizens with a foreign address. The ABA also made a telephone survey with top officials in large American banks to find out if there existed anywhere an official internal bank policy to refuse overseas Americans as clients. The answer was no. It was specifically stated that if one has a U.S. bank account and moves overseas, there should be no problem in maintaining that account.

Yet the problem exists. Below we have designed a plan to deal with business decisions or internal regulations at lower levels in the bank organizations which are apparently leading to this blockage, whether justified or not.

Recommended procedure to open and maintain U.S. bank accounts

We believe the best way to rectify banking problems is to work on a case by case approach. If you are refused a bank account or receive a notice of forced closing in the U.S. because you have a foreign address, here are some suggested steps to take:

1. Confirm all of your verbal communications to the bank in writing, whether or not you obtain redress. Maintain a file with all communications so you can prove your case with specific dates and steps taken.
2. Call or write to the account manager to ask if you can provide additional information which would satisfy the bank's requirements for opening/maintaining an account since you have a foreign address – such as a Social Security number, a passport number, name and address of a family member living in the United States or a P.O. Box address in the United States. You may have to travel to the U.S. to open an account to satisfy the bank's "Know Your Client" rules.

Explain why you need to open or maintain a U.S. bank account – to pay U.S. taxes, to receive Social Security payments, to make payments in the U.S., to have an IRA,

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to handle estate issues in the family, to invest in U.S. securities, etc. Attach a copy of their letter or notification to you for easy reference.

3. Once you have received the written statement from the bank or if you have not received a written statement within a reasonable period of time, contact the bank's branch manager to make your case for a reversal of the decision and give clear reference to the account manager in question; confirm any conversation in writing.
4. If the bank manager maintains the decision, tell him that you are going to report this decision to the bank's headquarters management as you have been informed that there is neither an official bank policy nor a legal reason for the bank to refuse you an account or close an established account.
5. If still refused, follow-up and contact the bank's headquarter management, first by telephone to see if you can obtain redress and to obtain the name and address where to write if you are still facing a refusal.
6. If you have an account with a national bank (a bank with N.A. in the name), go to the ombudsman page on the site of the Office of the Controller of the Currency to see if you can find help there. The site is www.occ.treas.gov. Click on Customer Complaints and Assistance to go to the ombudsman website and helpdesk. There is an on-line complaint form you can complete and a telephone number if you have questions or would like to discuss the case first before filing the complaint.
7. Inform us (ACA, AARO or FAWCO) of the problem and outline the specific steps you have taken. Include the bank's name and address, the name of the account manager, the name of the bank managers and copies of any correspondence you have received or sent to any bank. Also provide your general appreciation of the account's nature – i.e. personal or joint account, cash account, money market account, securities account or loan account with a debit balance, your evaluation of the significance of the account size (small, medium, large but no numbers). If you are facing a forced account closing, provide the length of time that the account has been opened. Inform us as early as possible, with updates as you proceed through the various steps.
8. Our organizations will transmit, with your approval, each case to our contacts at the ABA and at FinCen, which will allow them to review them and dialogue with the bank in question. This approach will make the banks clearly aware of the fact that the key banking association and regulatory organization are following specific cases of Americans overseas being refused U.S. bank accounts because of their foreign address.

Our organizations are also going to contact the large banks in the United States to obtain policy statements based on the cases that have already been reported to us. Depending on the frequency of particular problems with certain banks or consistent favorable reception of American clients with foreign addresses by certain banks, we will keep you informed of the general experience encountered with different banks to help guide you in choosing a bank in the U.S.