

*Appleseed is pleased to present an update to our 2012*

## **“PROTECTING ASSETS AND CHILD CUSTODY IN THE FACE OF DEPORTATION.”**



March 2017

As millions of immigrant families face fear and uncertainty, Appleseed is updating its 2012 manual, “Protecting Assets and Child Custody in the Face of Deportation.”

This one-of-a-kind resource is designed for immigrants and those who work with them: the host of attorneys, nurses, social workers, religious workers who are stepping up in challenging times. Appleseed’s Manual will help families develop plans *in advance* to deal with critical financial and family issues in the event of deportation, arrest and other emergencies.

Because the times are so uncertain, and the demand for these updates is growing, we are publishing each chapter as we draft it.

We are grateful for your interest, and for everything you can do to help immigrants and refugees. Please let us know of other topics you’d like to see covered.

To explore new chapters, further updates and additional resources, please visit us at [www.appleseednetwork.org/deportationmanual](http://www.appleseednetwork.org/deportationmanual).

A handwritten signature in black ink that reads "Bert Brandenburg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bert Brandenburg  
President, Appleseed



**APPLESEED**

*Appleseed wishes to express our gratitude to Cooley LLP and its individual attorneys for their expertise: Maureen Alger, Max Colice, Tanisha James and Monique Sherman.*

## CHAPTER 6:

# CREDIT CARDS, PREPAID AND DEBIT CARDS

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*In the face of deportation, an immigrant can take steps to manage credit cards, prepaid cards, and debit cards. This section addresses these topics:*

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The information in this chapter should be used only as a starting reference and cannot take the place of legal representation. Because the specific details and processes for credit cards, prepaid and debit cards vary from state to state, always refer to state-specific resources.

### **First Steps: Gather Important Information**

Before you begin, take a few moments to gather key documents and record important information about your cards. Write down:

- Brand name on card,
- Name of bank that works with the card company,
- Account number,
- Security code,
- Date of expiration,
- Contact information for both the bank and card company.

Keep this on your person or retain it in secure electronic file.

### **Credit Cards**

*What is a Credit Card?*

A credit card gives the credit card holder access to a revolving line of credit. Buying something with a credit card or using a credit card to get cash is borrowing money against the line of credit. The credit card holder can borrow an amount up to the credit card limit. To keep the line

of credit open, the credit card holder must make minimum monthly payments against any accrued debt. These payments typically include relatively large interest payments and possibly other service charges as well.

#### *What Will Happen to the Immigrant's Credit Card After He or She Leaves the Country?*

The immigrant should check with his or her credit card company.

#### *What Will Happen if the Immigrant Tries to Use His \or Her Credit Card Outside the U.S.?*

The immigrant may be able to use his or her credit card outside the U.S. In some cases, the credit card company may charge a foreign transaction fee to use a credit card outside the U.S. These fees may mount up. The immigrant should also be aware of the exchange rate used by the credit card company in processing the transaction. The immigrant should check with his or her credit card company for details.

#### *What is Credit Card Debt?*

Credit card debt is the total amount borrowed against the line of credit plus any accrued interest and other fees. In some cases, the accrued interest and fees may exceed the line of credit.

#### *What Happens to Credit Card Debt After the Immigrant Leaves the Country?*

Credit card debt exists regardless of where the immigrant lives. The obligation to repay the debt does not disappear when a person leaves the country. If an immigrant misses a credit card payment, the immigrant will likely incur fines and penalties on his or her debt. Once the debt reaches a certain level, the credit card company may cancel the immigrant's credit card and sell the debt to a debt collector. Debt collectors have a limited time during which they can sue debtors for nonpayment of credit card bills. Such time limits differ by state and are set by each state's statute of limitations. What should the immigrant do to pay his or her credit card debt?

### **For Supervised Immigrants**

Immigrants who have some time before they must leave the United States should (1) contact each of their credit card companies, (2) tell each company about their situation, and (3) provide a forwarding address in their home country in a letter sent with a certified return receipt re-quested. This reduces the chance that the immigrant will miss a credit card payment.

### **For Detained Immigrants**

Detained Immigrants may not have enough time during the transition from one location to another to inform their credit card companies that they are leaving. This increases the risk that the immigrant will miss payments which will likely result in fines and penalties on his or her debt. An immigrant who is subject to immediate removal from the United States may wish to keep a record of his or her credit card company's contact numbers

and addresses on their person or in a readily accessible place (e.g., in a secure email account or with a close friend or relative). Upon arriving in his or her home country, the immigrant should contact the credit card company and, if necessary, send in any payments that are owed.

#### *What Happens if the Immigrant Doesn't Pay His or Her Credit Card Debt?*

If the immigrant doesn't pay his or her credit card debt, the credit card company may sell the debt to a debt collector for collection. Failure to pay credit card debt may also hurt the immigrant's credit rating in the United States. The immigrant's credit rating probably won't affect the immigrant in his or her home country, but may complicate the immigrant's finances if the immigrant ever returns to the United States.

#### *What Happens if the Immigrant's Credit Card Debt is Sold to a Debt Collector?*

The debt collector may contact the immigrant to arrange payment of the debt. The immigrant should be aware of his or her rights and of acceptable debt collection practices. See, e.g., <https://www.usa.gov/debt#item-211305> for more information.

## **Prepaid Cards**

#### *What is a Prepaid Card?*

A prepaid card is like a credit card that the cardholder pays in advance. The cardholder loads money onto the prepaid card, then spends that money to buy things or withdraw cash. In some cases, money can be loaded onto prepaid cards directly from a paycheck or bank account. The money can be recovered if the prepaid card is lost or stolen. Unlike credit cards, there are no interest payments, but there may be hidden fees associated with setting up, loading, and using prepaid cards. These fees may mount up.

#### *Can an Immigrant Use His or Her Prepaid Card Outside the U.S.?*

Some prepaid cards can be used outside the U.S. Indeed, some prepaid cards are intended to be used outside the U.S. (e.g., by American tourists). The immigrant should check with his or her prepaid card company for information on whether or not his or her prepaid card can be used outside the U.S. and, if so, what fees and limitations apply.

#### *What Should an Immigrant Do With His Or Her Prepaid Card Before Leaving The Country?*

The immigrant should check to see whether or not his or her prepaid card can be used outside the U.S. and, if so, whether or not it can be brought into his or her destination country. If not, the immigrant should consider alternatives, including spending or withdrawing the money on the prepaid card. The immigrant may also want to stop any recurring transfers to or from the prepaid card.

*What should an immigrant do if his or her prepaid card is stolen or confiscated?*

If the prepaid card is stolen or confiscated, the immigrant should contact the prepaid card company to recover the funds on the prepaid cards.

## **Debit Cards**

*What is a Debit Card?*

A debit card is like a credit card that is linked to a bank account. The cardholder puts money in the bank account, then spends that money to buy things or withdraw cash. In some cases, the cardholder can withdraw more than the amount in the bank account. These excess withdrawals may be subject to overdraft fees. These fees may mount up.

*Can an Immigrant Use His or Her Debit Card Outside the U.S.?*

Some debit cards can be used outside the U.S. The immigrant should check with his or her bank for information on whether or not his or her debit card can be used outside the U.S. and, if so, what fees and limitations apply.

*What Should an Immigrant Do with His or Her Debit Card Before Leaving the Country?*

The immigrant should decide whether or not to close the bank account linked to the debit card. If the immigrant closes the bank account, then the debit card will no longer work and should be discarded. If the immigrant keeps the bank account, then the immigrant should check with his or her bank for information on whether or not his or her debit card can be used outside the U.S. and, if so, what fees and limitations apply.

*What Should an Immigrant Do if His or Her Debit Card is Stolen or Confiscated?*

If the debit card is stolen or confiscated, the immigrant should report the theft or loss to his or her bank as soon as possible.



