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Restoring Integrity to America's Financial System

Administration Policy:

On May 19, 2026, the White House issued an executive order (EO) to improve the security of America's financial system by requiring the Treasury to issue an advisory to financial institutions regarding the risks of extending loans to people without legal status. The White House's factsheet is available here.

The EO suggests that the Consumer Financial Protection Bureau clarify to banks that potential deportation negatively impacts a deportee's ability to repay loans and that lenders should consider such factors when underwriting loans or allowing persons without legal immigration status to open American bank accounts.

The statutory authority for this policy stems from Section 5318 (a)(2) of the Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. § 5318(a)(2)), which authorizes the Treasury Secretary to require financial institutions to maintain appropriate lending procedures and guard against illicit forms of financing, including money laundering.

Background:

- Illicit cross-border financial activity, including cross-border fund transfers, have facilitated narcotics trafficking, terrorist financing, and other illegal activity.
- Between 5,000 and 6,000 mortgages were issued to customers with Individual Taxpayer Identification Numbers (ITINs). These ITINs are typically used by undocumented workers in place of a Social Security Number.
- In 2025, the Wall Street Journal reported that Chinese money launderers appear to have moved some $312 billion in illicit transactions through U.S. banks and other financial institutions in recent years to aid Mexican drug cartels and other criminals.
    - Chinese money-laundering networks are now the dominant player in an illicit money-services industry that criminal groups like the Jalisco New Generation and Sinaloa cartels use to move profits from drug sales.
- The White House has made targeting Mexico's cartels a top priority. China's role in the fentanyl trade—both as a producer of the precursor chemicals used to make the drug, as well as an emerging money laundering hub—is also a focus for the Administration.