

A fair exchange

Oxnard company touts better way to send cash abroad

By Allison Bruce

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An Oxnard company that provides an alternative approach for sending money to loved ones abroad has teamed with a social organization to roll out the program in Mexico.

Debit International Distributors is working with Unimoss to promote a method that is less expensive and more efficient than wire transfers and money orders.

Direct-deposit debit cards allow people to have their paychecks deposited right onto the card, which then functions as a prepaid card. There is no need to link the card to a bank account. In the case of Unimoss, the debit card is from MasterCard.

If desired, the primary cardholder can get a second card issued to someone anywhere in the world. The person who receives the card can activate it and withdraw money from any ATM, using a PIN number provided by the cardholder.

Even with the fees involved, such as the \$3.50 charge for a withdrawal under the Unimoss program, the users come out ahead because there is no one collecting a commission and the daily exchange rate applies, said Nina Duarte-Rodriguez, president and chief executive of Debit International Distributors. In addition to direct-deposit pay cards, the company provides debit, credit and check processing services.

The card shakes out as a better deal for those earning the money and those receiving it, she said.

Duarte-Rodriguez predicts the “card-to-card” approach, which has been around for a few years but is just starting to gain attention, will “catch fire in the next five years.”

Less going to Mexico

Remittances to Mexico fell for the first time in 2008, dropping 3.6 percent, according to a recent report from Mexico’s central bank. No forecast was provided for 2009, but Banamex, Mexico’s largest bank, said remittances could fall at least 2.5 percent this year. The drop-off has been attributed to the poor economy in the U.S.

With money tight, a system with fewer fees that taps into daily exchange rates is attractive, Duarte-Rodriguez said. “It’s thrilling,” she said. “The acceptance out there is not totally there. We need to educate a little more.”

That is, in part, what the Unimoss partnership is about. The Mexican organization is spending \$2 million over the next five years to make people aware of the debit card option.

It’s also part of building up the business. Duarte-Rodriguez said it is easier to figure out who is receiving wire transfers in Mexico and then encourage them to ask the people sending the money to research the debit card option.

“I can’t say it’s a dream, because I was not dreaming,” Duarte-Rodriguez said. “I like to set goals and like to stay focused. I do not take no for an answer.”





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Nina Duarte-Rodríguez, Debit International Distributors CEO

That astute sense of business has landed her company where it is today. Duarte-Rodríguez got into the paycheck management and money-transfer business through a circular route.

In 1977, she operated a clothing store that offered boots, Western wear and other items, largely for farmworkers. But after 13 years, her business revolved more around cashing checks for people who wanted to send money to Mexico. She decided to give up clothing and focus on financial services, such as check cashing.

Duarte-Rodríguez seized on the industry shift to wire money instead of sending money orders. Money orders often didn't get to the destination and recipients would have to wait for nearly a month to get the money — and at an unfavorable exchange rate.

Electronic transmittal was an improvement, but even then, Duarte-Rodríguez said, people were hit with unjust exchange rates and charges. Many lost about 25 percent of the money they were trying to send, she said.

After establishing a reputation for money wiring services, Duarte-Rodríguez started to move into the new era of paperless, cashless transactions.

Skipping the bank step

She began to advocate for direct deposit of paychecks onto debit cards. That way, people wouldn't need a bank account to have their pay electronically.

Though bandied about as an immigration issue, Duarte-Rodríguez said, many Americans are “unbankable” for various reasons. This offers an alternative.

In 2004, she was doing more with direct-deposit pay cards and decided to exit the check cashing business.

“We became a distributor internationally for what we knew would be an alternative method to money wire transfers,” she said.

In 2005, she sold the check cashing stores, purchased a building and warehouse, and created a distribution center with about eight people on staff and numerous agents throughout the U.S.

When she started promoting card-to-card remittances, she was anxious to get the word out faster. Duarte-Rodríguez began seeking an agency, not necessarily a bank, that could be a partner in Mexico.

She wanted an organization “that had a social conscience, just like we do.”

She found Unimoss, which provides social services, assists small businesses and educates women to help them advance.

Unimoss will promote the direct-deposit debit cards in Mexico and among its roughly 1.2 million members. About 80 percent of Unimoss' members have some tie to someone in the U.S. who wires them money, Duarte-Rodríguez said.

Though it's about getting money from point A to point B, Duarte-Rodríguez said she has seen her product change lives.

Debit International Distributors provides the direct-deposit cards for a janitorial service in Houston.

There was one employee who used to take off every other Thursday, take a bus to pick up her check, cash it, wire money to her mother in Honduras, buy groceries, and make it home to cook dinner. She didn't like the idea of giving up that

check.

Skeptic becomes advocate

But after a couple weeks, the woman called to say she now gets up Thursday mornings and calls to make sure her money has been deposited so her mother can go make a withdrawal. She's saving about \$100 a month because she's no longer paying to have her check cashed and wired, Duarte-Rodríguez said.

“The moral of the story is that if you do things right, the people that normally are the ones that screamed the loudest are going to be your best advocates,” she said.

Hada Chavez of Oxnard, who briefly worked for Debit International Distributors, said she started using the debit cards about two years ago instead of having a bank account.

She used the online billing and card-to-card transfers, treating one card as her savings account and the other as her checking account that she and her daughter could use. She felt the cards were more secure, particularly when she traveled.

Eventually, she started having her employers deposit her paycheck onto the card. Though she now has a bank account, she continues to use the debit cards as well.

She didn't send money abroad with the cards, but said it would be an easy, affordable option.

Chavez described Duarte-Rodríguez as “very professional” and a “go-getter.”

“Her business has so much potential,” Chavez said. “It's in the beginning stages ... I think it's going to be a booming business.”

— *The Associated Press contributed to this report.*