As regulators crack down on the financing of terrorists and drug traffickers, many big banks are ending or limiting the business of transferring money from the United States and other countries, moves that are expected to lead to higher costs for immigrants sending money home to their families, DealBook’s Michael Corkery writes. While Mexico may be most affected, the banks’ retreat over the last year is also affecting other countries in Latin America and parts of Africa.

JPMorgan Chase and Bank of America have done away with services that allowed Mexican immigrants to send money to their families across the borders, and the Spanish bank BBVA is reportedly exploring the sale of its unit that wires money to Mexico and across Latin America. Citigroup’s Banamex USA unit has now closed a number of branches that served Mexicans living in the United States and stopped most remittances to Mexico as it faces a federal investigation related to money laundering controls.

While regulators “have not banned banks from engaging in higher-risk businesses like money transfers to certain countries, they acknowledge that banks must now invest significantly more to monitor the money moving through their systems or face substantial penalties,” Mr. Corkery writes. “The government’s efforts to root out illicit activity have effectively put the banks into a law enforcement role, industry experts say. And the result is undercutting another public policy goal—helping immigrants, who are primarily low income, move into mainstream banking.”
WALL STREET’S COMPETITION FOR YOUNG BANKERS | Private equity firms are pressing earlier than ever to lure top talent from investment banks, reflecting changes on Wall Street since the financial crisis, William Alden writes in The New York Times. Jobs at private equity firms like are Kohlberg Kravis Roberts, Apollo Global Management and the Blackstone Group are seen as the next rung in an elite career ladder, offering higher status and more pay. But the firms that attract young bankers also happen to be the banks’ clients, which can create conflicts of interest.

For these junior bankers, known as analysts, “securing such a job means stepping into the middle of a Wall Street struggle that has intensified since the financial crisis,” Mr. Alden writes. The whirlwind of interviews, which this year started in February, far earlier than many in private equity had expected, requires analysts to sneak around and often miss work, a far cry from the organized college recruiting process. To recruit young talent today, the private equity firms make offers as long as 18 months before a job begins.

Banks, facing new regulations and haunted by negative publicity, are taking unusual steps to try to preserve their appeal for ambitious graduates, including promising analysts time off and offering them longer contracts. Meanwhile, private equity firms have grown stronger, benefiting from low interest rates and a soaring stock market. They have raised huge new funds and expanded into new businesses, requiring additional workers.

CRUCIAL TALKS FOR AMERICAN APPAREL | American Apparel, the struggling retail company, headed into the July 4 weekend with its future hanging in the balance, Alexandra Stevenson and Elizabeth A. Harris write in DealBook. The company was said to be in discussions with the British private equity firm Lion Capital about the repayment terms and timing on a $10 million loan that is now past due. Lion Capital is said to have indicated it is prepared to take legal measures to ensure that American Apparel makes the payment, pending last-minute negotiations with one of the clothing company’s most important shareholders, the hedge fund Standard General.
The development is the latest turn in a tumultuous two weeks for American Apparel during which its founder, Dov Charney, was fired as chief executive. That activated a clause in the contract with Lion Capital that says if Mr. Charney is no longer at the helm of the business, the loan can be declared in default. Days after his ouster, Mr. Charney, the company’s largest shareholder, expanded his stake after striking a partnership with Standard General. As part of the deal, the firm lent Mr. Charney $20 million to build his stake up to 43 percent from 27 percent, with the provision that Standard General has voting control over Mr. Charney’s stock.

If American Apparel defaults on its Lion Capital loan, it could lead to the default of a $50 million loan from Capital One. It could also unsettle a group of creditors who bought $210 million in American Apparel bonds in 2013. On Thursday, FiveT Capital, an asset management firm in Switzerland that was American Apparel’s second-largest shareholder, sold three-quarters of its stake in the company, lowering its holding to 3.19 percent from 12.5 percent. The company cited “confusion” over what comes next.

ON THE AGENDA | Data on consumer spending is out at 8:30 a.m. Congress returns from its Fourth of July recess.

SUNTRUST SETTLES OVER MORTGAGE MODIFICATIONS | Federal prosecutors and SunTrust Banks have reached a settlement in a criminal investigation into the bank’s tardiness in approving mortgage modifications, Matthew Goldstein writes in DealBook. The bank agreed on Thursday to pay as much as $320 million for a combination of consumer relief and housing counseling services. Most of the money being paid by the bank under the settlement will go toward a fund to compensate borrowers who were shortchanged by SunTrust.

The agreement stems from an investigation by federal prosecutors in Virginia into SunTrust’s compliance with the Home Affordable Modification Program, one of several initiatives enacted by the Obama administration to encourage banks to modify loans for struggling homeowners after the financial crisis. Federal prosecutors and investigators from several other federal
government agencies found that SunTrust not only acted slowly in processing borrower applications for mortgage modifications but also made misrepresentations to homeowners.

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Holcim and Lafarge List Potential Asset Sales Ahead of Merger | Holcim and Lafarge, the world’s two largest cement and construction materials companies, on Monday outlined the assets they planned to sell in hopes of easing regulatory approval for their merger. DealBook »

Helvetia Agrees to Buy Swiss Insurance Rival | The $2 billion deal combining Switzerland’s Helvetia and Nationale Suisse would create the third-largest insurer in the country, with about 7,000 employees and premiums of more than $10 billion. DealBook »

Banco Itaú of Brazil Sells Insurance Unit to Ace | The unit offering high-risk corporate insurance was sold for $685 million, or about four times its book value, making Ace Limited the largest provider of such policies in Brazil. DealBook »

Bank of America Names Co-Heads of Investment Banking in Britain | Ian Ferguson, a managing director at the bank, and Michael Findlay, the co-head of corporate broking for Europe, the Middle East and Africa, will oversee investment banking operations in Britain and Ireland. DealBook »

Joint Venture to Take Over Canary Wharf Driverless Train Line | Keolis of France and Amey of Britain will begin in December to operate the railway that serves the London financial hub under a seven-year, 700 million pound contract, replacing Britain’s Serco Group. DealBook »

Win or Lose, in Britain It’s Where the Game Is Played That Matters | From sports to commerce, Britain embraces “Wimbledonization,” the idea that no
matter the outcome, it is much better to have all the players on its home turf. DealBook »

Quick Stock Sales Toy With Volcker Rule’s Spirit | At times, investment banks have blurred the line between raising capital and banned proprietary trading, Antony Currie of Reuters Breakingviews writes. DealBook »

A.D.M. to Acquire a Swiss Food-Flavoring Company | Archer Daniels Midland will pay $3.1 billion in cash and debt for Wild Flavors, which provides ingredients to the food and beverage industry and is partly owned by funds affiliated with Kohlberg Kravis Roberts. DealBook »

Morgan Stanley Asia Private Equity Fund Raises $1.7 Billion | Morgan Stanley said on Monday that its Asian private equity unit had raised $1.7 billion for its fourth Asia fund as it seeks investment opportunities in China and South Korea, Reuters reports. REUTERS

Argentina Begins Debt Negotiations in New York | Axel Kicillof, Argentina’s economy minister, will lead the negotiating team traveling to New York to meet with a court-appointed mediator on Monday as it tries to resolve a dispute with holdout creditors over unpaid debts, The Wall Street Journal writes. WALL STREET JOURNAL

If Convicted, Rengan Rajaratnam Faces Light Insider Trading Sentence | Rengan Rajaratnam, who is on trial for conspiracy to commit insider trading, could get just a few months in prison, legal experts say – much shorter than the 11-year term being served by his brother Raj Rajaratnam, the former billionaire hedge fund manager. DealBook »

Intelligent Energy Valued at $1.1 Billion in London I.P.O. | Intelligent Energy, a British developer of hydrogen fuel cells for automobiles and consumer electronics, priced its offering of 16.2 million shares at £3.40 a share, in line with the company’s prior expectations. DealBook »

SABMiller to Sell Stake in South African Hotel and Casino Group | SABMiller, the world’s second-largest brewer, plans to sell its 39.6 percent stake in the South
African hotel and casino group Tsogo Sun Holdings for about $1.1 billion after a strategic review. The brewer plans to sell most of its stake through a private placement to institutional shareholders this month. DealBook »

A Casino Town Rolls the Dice on High-Tech | The city of Reno, Nev., is looking to shed its image as a fading casino town in favor of one as a high-tech hub of e-commerce ventures, an Apple data center and a testing ground for drones, The New York Times writes. NEW YORK TIMES

Airbnb’s Promise: Every Man and Woman a Hotelier | Airbnb, a company valued at $10 billion that has raised the suspicions of government officials, says that it is helping New Yorkers stay in their homes, Ginia Bellafante writes in the Big City column. NEW YORK TIMES

Barclays Suit Sheds Light on Trading in Shadows | Barclays’ dark pool seems to have catered to high-frequency traders, the very participants it claimed to protect against, a lawsuit contends, James B. Stewart writes in the Common Sense column. NEW YORK TIMES

When Taxes and Profits Are Oceans Apart | Many American companies do not divulge the tax bills they would face by bringing home their overseas earnings. It’s a figure that investors could benefit from knowing, Gretchen Morgenson writes in the Fair Game column. NEW YORK TIMES

Hiring Is Strong and Jobless Rate Declines to 6.1% | Employers added 288,000 jobs in June, the Labor Department said on Thursday, the fifth month in a row that hiring has topped the 200,000 mark. The unemployment rate dipped to 6.1 percent last month, the best reading since September 2008. NEW YORK TIMES

Jobs Numbers Raise Questions About Fall in G.D.P. | Growing employment is not mathematically compatible with a contracting, productive economy, Jared Bernstein writes on the Upshot. NEW YORK TIMES UPSHOT
Dow Closes Above 17,000 as Stock Rally Outpaces Economy | The current bull market has lasted nearly 64 months, making it the fourth-longest since the crash of 1929, and investors are showing few signs of slowing down. DEALBOOK

Corinthian Colleges Agrees to Sell Bulk of Campuses | Corinthian Colleges said late on Thursday that it had reached a deal with the United States Department of Education to sell most of its 107 campuses and wind down others, Reuters writes. The agreement comes after months of financial difficulties for the publicly traded company and underscores the uncertainty that for-profit colleges are facing. REUTERS

France Puts Euro Zone Recovery at Risk, Economists Warn | France has been hovering too long near stagnation and risks derailing a wider euro zone recovery, a group of economists said at a conference in Aix-en-Provence, The New York Times reports. NEW YORK TIMES

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