From: CFPB_Communications@cfpb.gov
To: CFPB_Communications@cfpb.gov
Subject: CFPB Proposes Revisions to Rule Protecting Consumers Sending Money Internationally
Date: Friday, December 21, 2012 12:08:17 PM

FOR IMMEDIATE RELEASE:
December 21, 2012

CONTACT:
Office of Communications
Tel: (202) 435-7170

CONSUMER FINANCIAL PROTECTION BUREAU PROPOSES REVISIONS TO RULE PROTECTING CONSUMERS SENDING MONEY INTERNATIONALLY

Revisions Will Help Facilitate Compliance With New Consumer Protections

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) today issued proposed revisions to a rule that creates certain protections for consumers who transfer money internationally. The proposed revisions are narrow in focus and intended to preserve the new consumer protections while facilitating compliance with the rule. The Bureau is also proposing to extend the implementation period until 90 days after it issues a revised final rule.

"We are dedicated to bringing new protections to consumers who want to send money internationally," said CFPB Director Richard Cordray. "Today's proposal will ensure consumers have continued access to remittance transfer services while making compliance easier for remittance transfer providers."

Today's proposal builds on a final rule on international money transfers that was published by the Bureau on February 7, 2012, and later supplemented on August 20, 2012. The final rule creates a comprehensive consumer protection regime for remittance transfers sent by consumers in the United States to individuals and businesses in foreign countries.

Under the final rule, remittance transfer providers will be required to disclose certain fees and taxes, as well as the exchange rate that will apply to the transfer. The rule also provides consumers with error resolution and cancellation rights.

Today's proposed changes are narrowly targeted to address the rule's provisions on:

- **Disclosure of Foreign Taxes and Institution Fees:** The proposal would provide increased flexibility and guidance with respect to the disclosure of taxes imposed by a foreign country's central government as well as fees imposed by a recipient's institution for receiving a remittance

transfer in an account.

- **Disclosure of Subnational Taxes in Foreign Country:** The proposal would require disclosure of foreign taxes imposed by a country's central government, but would eliminate the requirement to disclose taxes imposed by foreign regional, provincial, state, or other local governments.

- **Errors from Incorrect Account Information:** Under the proposal, when the provider can demonstrate that the consumer provided an incorrect account number and certain other conditions are satisfied, the provider would be required to attempt to recover the funds but would not bear the cost of funds that cannot be recovered.

The CFPB's proposed revisions are designed to preserve market competition and consumers' access to remittance transfer services and to facilitate implementation of and compliance with the rule's requirements, while maintaining the rule's valuable new consumer protections and ensuring that those protections can be effectively delivered to consumers.

The Bureau expects to keep the rulemaking narrowly focused on these issues and to complete the rulemaking process on an expedited basis. Though the rule is scheduled to take effect on February 7, 2013, the Bureau is proposing a temporary delay of that date to accommodate the changes in today's proposal. Comments on the temporary delay will close 15 days after today's proposed rule is published in the Federal Register. Comments on the remainder of the proposal will close 30 days after publication in the Federal Register.

Consumers transfer tens of billions of dollars from the United States to foreign countries each year. Prior to the passage of the Dodd-Frank Act, these international money transfers were generally not covered by existing federal consumer protection regulations. To remedy this, the Dodd-Frank Act expanded the scope of the Electronic Fund Transfer Act to provide protections for remittance transfer senders, and directed that rules implementing certain provisions of the new protections be issued by January 21, 2012. Authority to implement the new requirements transferred from the Federal Reserve Board to the CFPB in July 2011.

The Notice of Proposed Rulemaking is available here:
http://files.consumerfinance.gov/f/201212_cfpb_remittances-proposal.pdf

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit www.ConsumerFinance.gov.