



## Final Rules Published to Modify Dodd-Frank Requirements for International Money Transfers

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On February 7, 2012, the Bureau of Consumer Financial Protection (the "Bureau") issued a final rule adding a new Subpart B to its Regulation E (12 CFR Part 1005) governing international "remittance transfers," as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

In a separate proposed rule and request for public comment, also published in the *Federal Register* on February 7, 2012, the Bureau requested comment on whether a safe harbor should be adopted with respect to remittance transfer providers that do not provide remittance transfer services in the "normal course of business," as well as a definition of that term. The proposed rule also requested comment on certain of the final rule's provisions governing preauthorized recurring transfers.

The above final rule and proposed rule were reported in this publication on February 22, 2012. That publication also provided general information on this topic and definitions of the terms used herein.

On Monday, August 20, 2012, the Bureau published modified final rules regarding the "normal course of business" issue and the preauthorized recurring transfers issue.

### "Normal Course of Business."

The modified final rule permits a safe harbor from the requirements imposed on "remittance transfer providers" for those not providing remittance transfers in the normal course of business. Under the modified final rule, if a person provided 100 or fewer remittance transfers in the previous calendar year, and provides 100 or fewer remittance transfers in the current calendar year, then the person will be deemed not to be providing remittance transfers in the "normal course of business" and will be exempt from the requirements of the final regulation.

### Preauthorized Recurring Transfers.

The modified final rule provides that, when a sender schedules a one-time transfer or the first in a series of preauthorized remittance transfers five or more business days before the date of transfer, the remittance transfer provider may estimate certain information in the pre-payment disclosures and the receipt that must be given to the sender. The rule further provides that, if estimates are used, a revised receipt must be provided when the actual information is known. With respect to subsequent preauthorized remittance transfers, the modified final rule also eliminates the requirement that the remittance transfer provider mail or deliver a pre-payment disclosure for each subsequent transfer. Remittance transfer providers are still required to send receipts with each transfer, if the information has changed from what was originally disclosed.

The modified final rules are effective February 7, 2013.

## **Related People**

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