



## CFPB Issues Additional Final Rules to Modify the Dodd-Frank Requirements for International Money Transfers

05.28.2013

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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.

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

The above final rules were reported in this publication on [February 21, 2012](#), and [September 28, 2012](#), respectively. Those publications also provided general information on this topic and definitions of the terms used herein.

On Wednesday, May 22, 2013, the Bureau published additional final rules in the *Federal Register* to modify the above final rules in three areas:

1. Under the modified rules, the requirement to disclose fees charged by a designated recipient's institution will be optional, in most cases. This requirement had been mandatory. The modified rules provide definitions of those fees that must be disclosed ("covered third-party fees") and those that may be disclosed.
2. Under the modified rules, the requirement to disclose taxes collected by a person other than the remittance transfer provider is also made optional. As with the fees discussed in paragraph 1, above, the transfer disclosures must contain a disclaimer that the actual amount received may be less than the amount disclosed, due to these fees and taxes, if the fees and taxes themselves are not disclosed. The modified rules contain model forms and clauses for this purpose.
3. The modified rules change the error resolution provisions that apply when a remittance transfer is not delivered to the designated recipient because of an error on the part of the sender. Currently, a remittance transfer provider must treat as an "error" any failure of the

remittance transfer to be deposited into the account of the designated recipient. Under Regulation E, “errors” are to be investigated and corrected promptly. The modified rules would create an exception where the sender provides the remittance transfer provider with an incorrect account number of the designated beneficiary or an incorrect recipient institution identifier. To avail itself of this exception, the remittance transfer provider must have provided a prior notice to the sender that providing such incorrect numbers may result in the loss of the amount transferred.

The modified final rules, as well as the February 2012 and the August 2012 final rules, are effective October 28, 2013.

## **Related People**

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