



## CFPB Issues Proposed Rules Amending Regulation E to Extend the Deadline for Disclosure of Transaction Pricing Estimates

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On Friday, April 25, the Consumer Financial Protection Bureau (the “Bureau”) published proposed rules and a request for public comment in the *Federal Register* to amend certain of its final rules on remittance transfers contained in subpart B to Regulation E (Electronic Fund Transfers), and to make certain corrections and clarifications to these rules.

Generally, a “remittance transfer” is an electronic transfer of funds sent by a consumer in the United States to a recipient in another country. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Act”) amended the Electronic Fund Transfers Act (the “EFTA”) to provide for a new and comprehensive consumer protection regime for remittance transfers.

During 2012 and 2013, the Bureau published final rules in the *Federal Register* with respect to remittance transfers (see, for example, these publications of [February 21, 2012](#), and [May 28, 2013](#)). One of the requirements contained in these final rules requires the remittance transfer provider to deliver a written disclosure to the sender, prior to the transfer, containing detailed information about the requested transfer. Such disclosures must include, among other things, the exchange rate, certain fees and taxes, and the amount to be received by the recipient. This information must also be contained in a written receipt given to the sender upon payment for the transfer. The revised EFTA created a temporary exception that allows certain remittance transfer providers to estimate these fees and exchange rates under certain circumstances. The exception expires 5 years after enactment of the Act, or July 21, 2015. Nevertheless, the Act and the final rules also provide that, if the Bureau determines that expiration of the temporary exception would negatively affect the ability of insured institutions to send remittance transfers to foreign countries, the Bureau may extend the exception for up to 10 years from enactment of the Act.

In these proposed rules, the Bureau proposes to extend the exception until July 21, 2020.

In addition to this change, the Bureau’s proposed rules would amend the final rules in the following four main areas:

1. The Bureau is seeking comment on whether it should issue clarifying amendments regarding

the treatment of overseas U.S. military bases for purposes of these rules, and if so, what these requirements should be.

2. The proposed rules attempt to clarify that whether or not a remittance transfer is subject to these rules is to be determined by ascertaining the purpose of the transfer.
3. The proposed rules clarify that faxes are considered “writings” for purposes of these rules.
4. With regard to the error resolution provisions contained in the Regulation, the Bureau proposes to clarify what constitutes an “error” caused by delays related to the fraud screening procedures of the remittance transfer provider or its third-party security service; and to clarify the remedies for certain errors.

The comment period ends May 27, 2014.

Remittance transfer providers, and others, may comment, and should do so if they think that these changes, or the specifics of the implementation of these changes as published in the notice, will have an adverse effect on their businesses. Comments must be identified by Docket Number CFPB-2014-0008, or RIN 3170-AA45. The options available for sending the comments are set forth in the notice, which is published in the *Federal Register* of April 25, 2014 (Volume 79, No. 80) at page 23234.

## **Related People**

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