



Americans for Financial Reform
1629 K St NW, 10th Floor, Washington, DC, 20006
202.466.1885

December 16, 2011

Mr. Rajeev Date
Special Advisor to the Secretary of the Treasury
on the Consumer Financial Protection Bureau
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington DC 20220

Re: Immigrant Justice Interest in Implementation of Dodd-Frank Sec. 1073, 12 CFR Part 205, Regulation E; Docket No. R1419 RIN 7100-AD76

Dear Mr. Date:

Americans for Financial Reform (AFR) join Appleaseed and the National Consumer Law Center in strongly urging that the Final Regulations on remittance protections issued by the Consumer Financial Protection Bureau (CFPB) are in full compliance with both the explicit requirements and the spirit of the new law establishing these protections for the first time in federal law. (See attached letter from Appleaseed and the National Consumer Law Center.)

Americans for Financial Reform is a coalition of more than 250 national, state and local consumer, labor, investor, civil rights, community, small business, and senior citizen organizations that have come together in a campaign for real financial reform such as the important remittance reforms in the Dodd-Frank Act, Section 1073, Remittance Transfers. AFR and seventeen members submitted comments prior to the end of the comment period.

The Final Regulations should not dilute Section 1073's strong protections.¹

We have following specific concerns:

1) Allowing remittance transfer providers to avoid informing senders about their specific rights to error resolution procedures. The proposal would allow summary language, which puts the burden on the sender to seek out and determine the full nature of their error

¹ <http://www.consumerfinance.gov/the-bureau/>.

resolution rights.² The Bureau needs instead to require that a full and explicit explanation of the error resolution rights be provided on every receipt, as required by the law.

2) Clarifying that the burden of proof in errors lies with the provider. We urge the Bureau to recognize the huge difference in bargaining power between remittance senders and providers and implement the intent of Congress to place the burden of proof when borrowers allege that funds were lost loss unequivocally on the service provider, rather than the sender.

3) Allowing providers to use estimates without the specific delineation of those disclosures as estimates. Permitting the use of estimates without requiring that they be labeled as such is a critical oversight. The Bureau should require that when an estimate is used, it must be labeled an estimate.

4) Allowing providers to determine for which countries estimates are permitted. The Bureau should engage in the necessary analysis to determine which countries have rules or laws which make it overly difficult for providers to make these determinations, and limit the use of estimates to countries explicitly identified by the CFPB.

5) The consideration of permitting remittance providers to avoid responsibilities for agents. Congress was clear in requiring the liability of remittance transfer providers for their agents, and the rule must follow this direction.³ The reliability and honesty of the actors on both ends of the transactions are absolutely critical to the successful completion of these transactions.

6) Clarification of overlap with the UCC. The Board has already recognized that Article 4A of the UCC explicitly excludes transactions which are governed by the EFTA (in § 4A-108). The protections of § 4A-402(c), setting out the rules for wire transfers, provide greater protections against loss than those applicable to the sender under the EFTA. As a result, we recommend that the Bureau carve out an exception, and explicitly articulate that the UCC's Article 4A continue to apply where otherwise applicable.

7) Bank exceptions should be limited to the 5 year period required in the statute, and not extended further. This will provide incentives to the banking industry to make changes in the ways that remittances are sent; if the time is extended, there will be no pressure on the market to make systemic improvements to comply with the requirements.

² "Problems or Questions? Contact us within 180 days at 800-123-4567 or www.abccompany.com

You can contact us for a written explanation of your rights." A-37 Model Form for error resolution and cancellation disclosures (short).

³ (1) IN GENERAL. – A remittance transfer provider shall be liable for any violation of this section by any agent, authorized delegate, or person affiliated with such provider, when such agent, authorized delegate, or affiliate acts for that remittance transfer provider. § 919(f)(1).

8) Allowing combined pre and post disclosures will not further the purpose of the statute. The plain language of section 1073 compels two sets of disclosures: the first set of disclosures is provided “at the time at which the sender requests a remittance transfer to be initiated, and prior to the sender making any payment in connection with the remittance transfer.” (Emphasis added.) The second set of disclosures is provided “at the time at which the sender makes payment in connection with the remittance transfer...” (Emphasis added). Allowing a remittance transfer provider to make a combined disclosure after the sender has made payment clearly violates the statutory requirement that certain disclosures be made prior to any such payment being made.

We thank you very much for your consideration of our concerns.

Very truly yours,

Americans for Financial Reform

cc: Sendhil Mullainathan
Assistant Director -Research

Attachments:

Comments to the Federal Reserve Board 12 C.F.R. Part 205 [Regulation E; Docket No. R-1419]
RIN 7100-AD76 Electronic Fund Transfers

Comments to the Federal Reserve Board 12 CFR Part 205 [Regulation E; Docket No. R-1419] RIN
7100-AD76 Electronic Fund Transfers: New Protections for Remittances by the National
Consumer Law Center on behalf of its low income clients as well as aligned organizations

Following are the partners of Americans for Financial Reform.

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.

- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- Americans for Democratic Action, Inc
- American Income Life Insurance
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Greenlining Institute
- Good Business International
- HNMA Funding Company
- Home Actions

- Housing Counseling Services
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lake Research Partners
- Lawyers' Committee for Civil Rights Under Law
- Move On
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Council of Women's Organizations
- Next Step
- OMB Watch
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers

- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

List of State and Local Signers

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR

- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- New Yorkers for Responsible Lending
- NOAH Community Development Fund, Inc., Boston MA

- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

Small Businesses

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ
- The Holographic Repatterning Institute at Austin
- UNET

