



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

The Honorable Tim Johnson, Chairman  
The Honorable Richard C. Shelby, Ranking Member  
U.S. Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Spencer Bachus, Chairman  
The Honorable Barney Frank, Ranking Member  
U.S. House Financial Services Committee

August 16, 2012

**Re: Consumer Protections for Overseas Remittances**

Dear Members of Congress:

The undersigned representatives of remittance senders – mostly low and moderate income recent immigrants to the U.S. – write to support the Consumer Financial Protection Bureau’s (CFPB’s) recent remittance rule.<sup>1</sup> This rule, solidly based on the statutory language passed by Congress in 2010, requires remittance transfer providers to provide essential information to consumers about the actual amount of money to be received by their family in the foreign country. The rule makes remittance providers liable for agents acting on their behalf and includes an error resolution procedure to resolve problems.

The remittance transfer regulation – and its underlying statute – ensure for the first time transparency and fairness in remittance transactions. The rules are simple, easy to comply with, and an essential tool for remittance senders to be able to understand the actual terms of the transaction. The error resolution procedure mirrors the long-established and workable one already in the Electronic Fund Transfer Act – there is little actually new in these rules.

Many financial institutions have expressed concerns with the requirement that the remittance provider disclose the exact amount to be received by the recipient, as this requires the provider to know the amount of charges imposed by the agent in the foreign country. Because of this concern, both the statute and the CFPB’s rule allow financial institutions – for five years from enactment – to provide estimates rather than fixed amounts. This time window provides these financial institutions time to comply, so that their remittance services will be as reliable and as competitive as others offered in this market. The statute

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<sup>1</sup>Electronic Fund Transfers (Regulation E), Final Rule, 77 Fed. Reg. 6194-6309 (Feb. 7, 2012) (to be codified at 12 C.F.R. pt.1005).

provides that the CFPB may permit financial institutions more time if the five years prove to be unworkable.

Congress provided banks and credit unions with five years to comply. Surely, this is long enough. If they choose to stop providing remittance transfer services, there is no evidence that consumers will then be left without remittance service providers. In our free market economy, alternative providers at competitive prices will inevitably arise; indeed, many corridors are quite dynamic now, with new offerings from “mobile money” providers.

Consumers deserve bank and credit union compliance with the rule in the time frames contemplated by Congress. Additional consumer protections have been in the works for years, long before the adoption of Section 1073 of Dodd Frank. Since its enactment in 2010, banks and credit unions have been in a position to prepare for its implementation. If some have elected to delay compliance, their inaction should not be rewarded by additional accommodations.

We believe that most banks, credit unions and remittance transfer providers will find a way not only to comply with the rule on time, but also to embrace the transparency and accountability to their customers without complaint. Indeed the most progressive and competitive financial institutions will value the predictability and fair dealing compliance with the rule provides.

We hope that you will join us in opposing any delays or reductions in protections provided for remittance transactions. If you have questions, or would like to discuss this, please contact Annette LoVoi, Appleseed, 512.542.9082 ([alovoi@appleseenetwork.org](mailto:alovoi@appleseenetwork.org)) or Margot Saunders, National Consumer Law Center, 202 452 6252, ext. 104 ([msaunders@gmail.com](mailto:msaunders@gmail.com)).

Thank you for your consideration.

Sincerely,

Alabama Appleseed

Americans for Financial Reform

Appleseed

Center for Digital Democracy DC

Chicago Appleseed Fund for Justice

Connecticut Appleseed

Consumer Action

Consumers Union

Hawai'i Appleseed Center for Law and Economic Justice

Kansas Appleseed

Massachusetts Appleseed Center

National Consumer Law Center on behalf of its low income clients

New Jersey Appleseed Public Interest Law Center

New York Appleseed

South Carolina Appleseed Legal Justice Center

Texas Appleseed

U.S. PIRG

## **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
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- 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
- NAACP
- 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

