

**CONSUMER FINANCIAL PROTECTION BUREAU
REQUEST FOR APPROVAL UNDER THE GENERIC CLEARANCE
COMPLIANCE COSTS AND OTHER EFFECTS OF REGULATIONS
(OMB Control Number: 3170-0032)**

TITLE OF INFORMATION COLLECTION: Remittance Transfer Rule Temporary Exception Experience Interviews

PURPOSE: Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended the Electronic Fund Transfer Act (EFTA) and created a new set of consumer protections for certain transfers sent by consumers in the United States to recipients abroad. The covered transactions are called “remittance transfers” and the covered entities are called “remittance transfer providers.” To implement section 1073 of the Dodd-Frank Act and section 919 of the EFTA, the Consumer Financial Protection Bureau (“Bureau”) has amended Regulation E effective October 28, 2013. *See* 78 FR 49365 (Aug. 14, 2013); 78 FR 30662 (May 22, 2013); 77 FR 50244 (Aug. 20, 2012); 77 FR 40459 (July 10, 2012); 77 FR 6194 (Feb. 7, 2012) (collectively, “Remittance Transfer Rule”).

Pursuant to the statute, the Remittance Transfer Rule allows insured depository institutions and credit unions an exception to certain requirements of the Rule. Under this “temporary exception,” until July 21, 2015, these providers can provide certain reasonably accurate estimates, even where other providers must disclose actual amounts. The temporary exception does not apply to remittance transfer providers other than insured depository institutions and credit unions. However, there are other types of remittance transfer providers that may use methods similar to those used by insured depository institutions and credit unions to send remittances. In addition, the Securities and Exchange Commission (SEC) staff has written a no action letter that concludes that SEC staff will not recommend enforcement action to the SEC under Regulation E if a broker-dealer provides disclosures as though the broker-dealer were an insured institution for purposes of the temporary exception.¹ With regard to insured depository institutions and credit unions, the Dodd-Frank Act permits the Bureau to extend the temporary exception for up to five years after July 21, 2015 if it “determines that termination of such provision would negatively affect the ability of [insured depository institutions and credit unions] to send remittances to locations in foreign countries.” EFTA section 919(a)(4)(B).

The Bureau seeks approval to collect information from businesses to further its understanding of the temporary exception by assessing the usefulness and impact of the temporary exception to insured depository institutions and credit unions, who are permitted use of the temporary exception by the Remittance Transfer Rule, and broker-dealers, who may be relying on the SEC’s no-action letter to estimate disclosed figures. The proposed information collection would extend to these three types of remittance transfer providers, as well as service providers to them. In addition, the Bureau seeks approval to collect information from other remittance transfer providers who are not allowed to use the temporary exception in order to understand any challenges, costs, or opportunities that institutions providing products similar to those provided

¹ *See* <http://www.sec.gov/divisions/marketreg/mr-noaction/2012/financial-information-forum-121412-rege.pdf> (accessed on October 16, 2013).

by depository institutions and credit unions, but not covered by the temporary exception face and the solutions that such entities employ.

The Bureau hopes that the voluntary information collected from depository institutions, credit unions, broker-dealers, service providers to these entities, as well as other remittance transfer providers who are not allowed to use the temporary exception will help the Bureau both better understand the ways in which businesses use the temporary exception and the alternatives to it, and consider whether or not to propose any changes regarding the temporary exception, including a possible extension beyond 2015 following a rulemaking process including the solicitation of public comments. By interviewing those who cannot use the temporary exception, the Bureau hopes to learn more about the feasibility of alternatives to disclosure in accordance with the temporary exception.

If the Bureau determines it appropriate to extend the temporary exception, the Bureau expect to issue a notice of proposed rulemaking in which the Bureau would propose to extend the temporary exception. The Bureau would seek public comment on any proposal it might issue.

DESCRIPTION OF RESPONDENTS: Respondents for this information collection will include relevant executives and representatives from volunteer participant institutions. These respondents will represent various departments and functional areas from insured depository institutions, credit unions, broker-dealers, service providers to these entities, and other remittance transfer providers who are not allowed to use the temporary exception.

TYPE OF COLLECTION: (Check one)

- | | |
|---|--|
| <input type="checkbox"/> Customer Comment Card/Complaint Form | <input type="checkbox"/> Customer Satisfaction Survey |
| <input type="checkbox"/> Usability Testing | <input type="checkbox"/> Small Discussion Group |
| <input type="checkbox"/> Focus Group | <input checked="" type="checkbox"/> Other: <u>Structured interview</u> |

CERTIFICATION:

By submitting this document, the Bureau certifies the following to be true:

1. The collection is voluntary.
2. The collection is low-burden for respondents and low-cost for the Federal Government.
3. The collection is non-controversial and does not raise issues of concern to other federal agencies.
4. Information gathered will not be used solely for the purpose of substantially informing influential policy decisions.
5. The collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the future.
6. The results will not be used to measure regulatory compliance or for program evaluation.

Personally Identifiable Information:

1. Is personally identifiable information (PII) collected? Yes No
2. If Yes, is the information that will be collected included in records that are subject to the Privacy Act of 1974? Yes No Not Applicable

3. If Applicable, has a System or Records Notice been published?

Yes No Not Applicable

Gifts or Payments:

Is an incentive (e.g., money or reimbursement of expenses, token of appreciation) provided to participants? Yes No

BURDEN HOURS

Category of Respondent	Number of Respondents	Participation Time	Burden
Credit Unions	12	5 hours	60 hours
Banks	12	5 hours	60 hours
Service providers	8	5 hours	40 hours
Broker-dealers	4	5 hours	20 hours
Money transmitters doing open network transfers	4	5 hours	20 hours
Totals	40	//////////	200 hours

FEDERAL COST: This collection of information will not result in the Bureau incurring any new or additional costs. However, several CFPB employees in the Division of Research, Markets and Regulations will spend focused time on the information collection effort.

If you are conducting a focus group, survey, or plan to employ statistical methods, please provide answers to the following questions:

The selection of your targeted respondents

1. Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?
 Yes
 No

If the answer is yes, please provide a description of both below (or attach the sampling plan)? If the answer is no, please provide a description of how you plan to identify your potential group of respondents and how you will select them?

The Bureau will identify insured depository institution respondents from call reports filed by such institutions. The Bureau will then stratify the universe by size (measured by total assets) into four strata (weighted by assets) and select respondents from each size stratum randomly, but also taking into account what the Bureau knows about potential respondents (*e.g.* the Bureau will not select banks without consumer-facing retail operations and the Bureau may first reach out to potential respondents that have previously expressed some interest in communication with the Bureau but otherwise are random). The Bureau will make size-specific assumptions about the sample inclusion rate (which measures the share of entities that are remittance transfer providers) and the response rate. If, with these assumptions, the Bureau ends up with a larger than desired sample, the superfluous entities will be dropped randomly. If, on the other hand, the Bureau ends up with a smaller than desired sample, additional entities will be added randomly.

The Bureau will proceed in a similar fashion for credit unions, but for credit unions size will be measured by remittance transfer volume reported on the NCUA Call Report, and hence we will not need to make assumptions about the inclusion rate.

For service providers, the Bureau will create a sample based on its understanding of the service provider market and other research.

For broker-dealers, the Bureau will randomly select entities from registration lists provided by the SEC.

For other remittance transfer providers who are not allowed to use the temporary exception, the Bureau will create a sample based on its understanding of the market for open network transfers among non-bank providers. The Bureau will make sure to include in the sample entities of various sizes.

Administration of the Instrument

1. How will you collect the information? (Check all that apply)
 Web-based or other forms of Social Media
 Telephone
 In-person
 Mail
 Other, Explain
2. Will interviewers or facilitators be used? Yes No

Please make sure that all instruments, instructions, and scripts are submitted with the request.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.

1. Respondent Universe and Selection Methods

Please see above the section titled “**The selection of your targeted respondents**”.

2. Information Collection Procedures

The information will be collected based on a structured interview method. Information providers will be approached using the first attached letter that lays out the nature of the collection effort although in some circumstances it may be more appropriate to approach an institution by telephone. In such instances, the attached letter will be used as a script. Volunteer respondents will be provided with the second letter and a list of potential questions (attached) at the time of scheduling an oral interview. Respondents will be requested to provide written responses to the interview questions prior to their oral interview. Depending on the amount of information that respondents provide in writing, the oral interview will be conducted as a follow-up or as stand-alone interview. The specific questions asked in any particular oral interview may be tailored to the concerns and questions that respondents raise.

3. Methods to Maximize Response Rates and Address Issues of Non-Response

This collection of information will not employ statistical methods and, therefore, issues of non-response and non-response bias analyses are not applicable. It is worth noting, however, that the Bureau will only seek responses from institutions that agree to participate.

4. Testing of Procedures or Methods

Not applicable.

5. Contact Information for Statistical Aspects of the Design

Methodologies are consistent with collections of information approved under this generic clearance.