

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

PART A: JUSTIFICATION FOR THE INFORMATION COLLECTION

1. TITLE OF INFORMATION COLLECTION: Remittance Assessment Industry Data Collection

2. PURPOSE: The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank, Act) requires that the Consumer Financial Protection Bureau (CFPB, or Bureau) assess its significant rules within 5 years of a rule's effective date. On March 17, 2017 the Bureau announced its determination that the Remittance Rule, with amendments as effective on October 28, 2013, is a significant rule for the purposes of Bureau assessments. The Act requires that the Bureau's assessment reflect available evidence and data that the Bureau may reasonably collect. This information collection will allow the Bureau to reach out to a cross-section of stakeholders and gather qualitative information from them about their experiences with the rule.

This outreach is one part of our overall effort to fulfil our obligations to assess the Remittance Rule's effectiveness in meeting its stated goals and the goals in Title X of Dodd-Frank and evaluate the burdens it imposed on the regulated entities. As part of its broader information collection related to the assessment the Bureau has obtained or is working to obtain data from a number of other sources. Among them:

- The Bureau has asked certain states for information on remittances that they collect as part of their licensing of money transmitters. Together with call report data for credit unions and banks, these data will help us understand the size of the total market and how it has changed before and after the rule. These data will also help us understand how participation in the market has changed, including for small money transmitters, banks, and credit unions.
- The World Bank collects data on prices by corridor over time which the Bureau intends to use to understand the rule's possible impact on prices.
- The Bureau's supervisory examinations of large participants collect data that give insight into the workings of the rule in this portion of the market.
- The Bureau's complaint database gives insight into where consumers may have problems with the rule.

In the context of other data sources, this outreach has two goals. One is to provide industry participants another opportunity to speak about their experiences around the rule. The second is to understand whether there are issues in the workings of the rule in the small part of the market where the Bureau does not otherwise have good information. This part of the market includes small money transmitters, small credit unions, and small and community banks. This segment of the market sends a relatively small number of remittances and low dollar volume. However, there may be issues with certain provisions of the rule in this segment that would remain hidden if the Bureau only looked at the large participants for which it has more comprehensive data. This survey will allow respondents to highlight for the Bureau areas of concern that might not be visible through other means.

The Bureau recognizes that the data provided by this survey will be limited, because the Bureau does not expect responses to the survey to be statistically representative of the market as a whole. For example, the rule provided consumers with cancellation rights. In discussing these rights, the Bureau might say, for example, that “Of the firms that responded to our survey, consumers cancelled an average of x% of remittance transfers in 2016.”

The Bureau stated in its announcement of the assessment that the Bureau does not plan for the assessment report to contain specific proposal by the Bureau to modify any rules.¹ The Bureau expects that the report will inform it and the public on the effectiveness of the Remittance Rule. After the report is complete, the Bureau will evaluate whether to engage in substantive policy development, which could include additional research and development of proposed changes to the rule through the notice and comment process. The Bureau does not intend for this survey or the assessment to alone inform any policy changes.

3. DESCRIPTION OF RESPONDENTS: The respondents will be banks, credit unions, and money service businesses (MSBs) that provide remittance services (collectively, remitters).

4. TYPE OF COLLECTION (ADMINISTRATION OF THE INSTRUMENT):

a. How will you collect the information? (Check all that apply)

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Web-based or other forms of Social Media | <input type="checkbox"/> Telephone |
| <input type="checkbox"/> In-person | <input type="checkbox"/> Mail |
| <input type="checkbox"/> Small Discussion Group | <input type="checkbox"/> Focus Group |
| <input type="checkbox"/> Other, Explain _____ | |

b. Will interviewers or facilitators be used?

- Yes No Not Applicable

5. PERSONALLY IDENTIFIABLE INFORMATION:

a. Is personally identifiable information (PII) collected? Yes No

b. 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

**If applicable, what is the link to the Privacy Impact Assessment (PIA)?
Industry, Expert, Community Input, and Engagement PIA**

https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/20161101_cfpb_Industry_Expert_Community_Input_and_Engagement_PIA.pdf

c. If Applicable, has a System or Records Notice (SORN) been published?

- Yes No Not Applicable

If yes, cite the SORN. Title: _____

¹ See the *Federal Register* <https://www.federalregister.gov/d/2017-05681/p-23>.

6. INCENTIVES:

- a. Is an incentive provided to participants? [] Yes [X] No
- b. If Yes, provide the amount or value of the incentive? \$ N/A.
- c. If Yes, provide a statement justifying the use and amount of the incentive.
N/A

7. BURDEN HOURS

Collection of Information	Maximum Number of Respondents	Responses per Respondent (Frequency)	Maximum Number of Responses	Participation Time (hours)	Burden Hours
Industry Survey Form	560	1	560	5	2,800
Totals:	560	////////////////////	560	////////////////////	2,800

8. FEDERAL COST: The estimated annual cost to the Federal government is \$ 0.

PART B: COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS OR CONDUCTING A SURVEY OF FOCUS GROUP

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

1. RESPONDENT UNIVERSE AND SELECTION METHODS

- a. 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

- b. If the answer is Yes, please provide a description 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 obtained its list of the universe of respondents from bank, credit union, and state MSB licensees.

- c. The selection of your targeted respondents. Provide a description of how you plan to identify your potential group of respondents and how you will select them.**

The universe of remitters includes 803 banks, 1,599 credit unions, and 174 MSBs. These include the total number of banks and credit unions that completed positive remittances as of December 31, 2016 and the total number of licenses as of March 31, 2017. This results of a universe of 2,576 total remitters. The Bureau will target respondents by identifying small, medium, and large remitters based on the total number of remittances sent by each of the three types of firms: banks, credit unions, and MSBs in order to help us understand the unique challenges facing different institutions of varying sizes and spot any issues that may be unique to one part of the regulated community. Size determinations will be based on relative sizes identified from information reported on the call report. The Bureau will request data from 200 banks, 200 credit unions, and 160 MSBs, and expects a response rate of around 20% of banks, 20% of credit unions, and 20% of MSBs. This value is based on RMR judgement from past collections that include relatively small participants.

. The Bureau will request data from a higher proportion of MSBs due to their much larger participation in the consumer remittance market than banks or credit unions.

2. INFORMATION COLLECTION PROCEDURES

The Bureau will be sending selected remitters letters signed by the research team lead and associate director of RMR attached to the attached list of questions. Respondents will provide

data to the Bureau by a secure website. The Bureau will not use the provided data to make statistical claims about the remittance market, but will aggregate selected responses and present findings and comments attributed to remitters that responded to the Bureau's data request.

3. METHODS TO MAXIMIZE RESPONSE RATES AND ADDRESS ISSUES OF NON-RESPONSE

The Bureau held preliminary calls with several remitters in order to understand the burden associated with the questionnaire. Based on these conversations, the Bureau believes that it has minimized as much potential burden in an effort to maximize response rate. Further, If, after 30 days, the Bureau does not receive data or other response then the Bureau plans to send a reminder letter.

The Bureau does not believe that this information collection will result in a representative sample of all remitters and is only intended as a way of getting structured, but qualitative data about the effect of the rule. The Bureau is prepared to aggregate all voluntarily shared data and report findings with the qualification that the data only reflect firms that voluntarily provided information to the Bureau.

4. TESTING OF PROCEDURES OR METHODS

The Bureau held informal, unstructured calls with several remitters regarding the potential data request. Remitters generally said they could offer these data with a small amount of burden. The Bureau has found that the remittance service industry is willing and able to produce data to inform public policy and this assessment.

5. CONTACT INFORMATION FOR STATISTICAL ASPECTS OF THE DESIGN

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PART C: CERTIFICATIONS

CERTIFICATION PURSUANT TO 5 CFR 1320.9, AND THE RELATED PROVISIONS OF 5 CFR 1320.8(b)(3) :

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

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (d) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (e) It indicates the retention period for recordkeeping requirements;
- (f) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (g) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected;
- (h) It uses effective and efficient statistical survey methodology; and
- (i) It makes appropriate use of information technology.

CERTIFICATION FOR INFORMATION COLLECTIONS SUBMITTED UNDER THIS GENERIC INFORMATION COLLECTION PLAN

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

- The collection is voluntary.
- The collection is low-burden for respondents and low-cost for the Federal Government.
- The collection is non-controversial and does not raise issues of concern to other federal agencies.
- Information gathered will not be used solely for the purpose of substantially informing influential policy decisions.
- 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.
- The results will not be used to measure regulatory compliance or for program evaluation.