



1700 G Street NW, Washington, DC 20552

XX XX, 2018

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RE: Voluntary Request for Information to Support the Bureau’s Assessment of its Remittance Rule

Dear XX,

Please find attached to this letter a request for information to support the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) assessment of its Remittance Rule (12 CFR 1005 Subpart B). Section 1022(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires that the Bureau conduct assessments of its significant rules. The Bureau proposed the scope and goals of its assessment of the Remittance Rule and asked for public comment in the *Federal Register* (FR 2017-05681).¹

Responding to this request, in whole or in part, is purely voluntary on your part. This request is not a supervisory order issued under Sections 1025 or 1026 of the Dodd-Frank Act or an order to provide information under Section 1022(c)(4). The request does not relate to any examination of your institution.

The data the Bureau is collecting through this outreach is part of a larger effort that is gathering data about the remittance market from other sources. This survey has two primary 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 has limited information. This part of the market includes small money transmitters, small credit unions, and small and community banks. This segment may experience issues with certain provisions of the rule that would remain hidden if the Bureau only looked at the large participants for which it has more comprehensive data. The Bureau expects that this survey will allow respondents to highlight for the Bureau areas of concern that

might not be visible through other means.

The Bureau seeks any information that will assist it in assessing the Remittance Rule; therefore, even partial responses to this request could be useful, depending on their content. We do not intend even voluntary responses to place any undue burden on respondents. While responses to the questions below will be most useful for the specific purposes of this survey, general feedback on your experiences complying with the Remittance rule or responses to similar questions are also welcome.

¹ <https://www.federalregister.gov/documents/2017/03/24/2017-05681/request-for-information-regarding-remittance-rule-assessment>

This request does not seek any personally identifiable information that directly identifies any consumer or consumers, and we specifically request that you not submit such information to us. The request's focus is on aggregate level data and practices. It does not seek transaction-level, or consumer-level data or information.

The Bureau will treat information provided in response to this request as confidential information in accordance with the Bureau's confidentiality rules (12 CFR 1070.40 *et seq.*). Thus, the Bureau will not voluntarily disclose such information in a manner attributable to your institution unless it is required by law. Where appropriate, you may also wish to designate responses as confidential business information. In no case will any data, information, practice, or outcome that the Bureau publically reports be attributed to any one provider; all results will be reported only in a way that precludes the identification of any individual respondent.

The Bureau is committed to well-tailored and effective regulations. Your participation in this request will assist us in ensuring that this assessment is evidence-based and reflects the realities faced by industry participants and their customers. To that end, we hope this assessment will result in findings that identify areas of mutual benefit to consumers and market participants. We believe that participation in this exercise will not only benefit the Bureau and consumers, but respondents as well. We are grateful for all assistance we receive in fulfilling our statutory obligations and in pursuing a transparent, open, and competitive market for consumers.

If you have any questions about this request, please call me at 202-435-9798 or email me at scott.fulford@cfpb.gov.

Sincerely,

Scott Fulford, Ph.D.
Economist, Office of Research



1700 G Street NW, Washington, DC 20552

XX XX, 2018

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**UNIT ED ST AT ES OF AMERICA
BUREAU OF CONSUMER FINANCIAL PROTECT ION**

**VOLUNTARY REQUEST FOR INFORMATION TO SUPPORT THE BUREAU'S
ASSESSMENT OF ITS REMITTANCE RULE**

Pursuant to the Bureau of Consumer Financial Protection's (Bureau or CFPB) obligation under Section 1022(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, or Act), codified at 12 U.S.C. § 5512(d), the Bureau hereby requests that [recipient] voluntarily provide information to assist with its assessment of its Remittance Rule, 12 CFR 1005 Subpart B.

Purpose

The Bureau's Remittance Rule, Subpart B of Regulation E (12 CFR 1005), came into effect on October 28, 2013. Pursuant to the Bureau's mandate under Section 1022(d) of the Dodd-Frank Act to "conduct an assessment of each significant rule or order adopted by the Bureau...[which] reflect[s] available evidence and any data that the Bureau reasonably may collection...not later than 5 years after the effective date of the subject rule or order," the Bureau seeks information from you which would assist in fulfilling this statutory obligation.

Information provided in response to the request is intended to support the Bureau's assessment of its remittance rule. This is not a supervisory order issued under Sections 1025 or 1026 of the Dodd Frank Act, codified at 12 U.S.C. §§ 5515 or 5516, or a market-monitoring order issued under Section 1022(c)(4) of the Act, codified at 12 U.S.C. § 5512(c)(4). The Bureau will treat the information received in response to this request in conformity with its confidentiality regulations at 12 CFR §1070.40 *et seq.*

The Bureau requests responses be submitted on or before 5 :00 PM Eastern time, XX XX, 2017 [90 days].

Instructions

1. Data and other proprietary submissions should be provided to the CFPB via the secure file transfer protocol (SFTP) server here: XXXX. If you are unable to provide your submission via SFTP, or have any other questions about acceptable methods of transfer, please contact Nicholas Tremper via email at Nicholas.Tremper@cfpb.gov or by phone at 202-435-9738 in advance of providing information.
2. Please submit all responses to section 1 via a spreadsheet in the .xls, .xlsx, or .csv file format.
3. Do not include any personally identifiable information that directly identifies any consumer, such as a consumer's name, address, telephone number, Social Security number, or account number.
4. Unless otherwise specified, requests apply to remittance transfers as defined by 12 CFR 1005.30(e). For information covering time periods prior to the effective date of the Remittance Rule, to the best of your ability please include only those transfers which meet this definition.
5. When you have written policies or procedures that contain responsive information, please provide those documents with your answer.
6. Unless otherwise specified, the requests seek information about current practices.
7. We request responses on or before **XX XX, 2017**.
8. The Bureau may issue follow-up requests in connection with your responses.
9. If you have questions about the information specified in or requested by the request, please contact Scott Fulford via email at Scott.Fulford@cfpb.gov.
10. The Bureau will accept partial responses.
11. The Bureau will accept responses to questions similar, but not identical to, those asked below. Please annotate all such responses accordingly.
12. The Bureau will accept submissions of information not responsive to any question or questions below that you nonetheless believe would assist the Bureau in its efforts to assess the Remittance Rule. Please annotate all such submissions accordingly.
13. Any documentation you submit may be redacted so as to remove information that would identify any entity with which you do business.
14. If you collect and store information on a fiscal year basis instead of calendar year, please report the period that is most easily available and annotate the response accordingly.

Definitions

1. For purposes of this request, “you” or “your” shall mean [recipient], its parent companies, wholly or partially owned subsidiaries, joint ventures, and affiliates, and all principals, directors, officers, owners, employees, agents, representatives, consultants, attorneys, accountants, independent contractors, and other persons working for or on behalf of the foregoing.
2. The terms in this request, including “remittance(s),” “transfers,” “remittance transfer” and “agent”, are as defined by 12 CFR 1005.30, except where explicitly specified otherwise.

David Silberman
Associate Director
Research, Markets, and Regulations

Section 1: Quantitative information

If, for any question, you processed no remittances in any of those years, or were not in existence as an entity during any of those years, please note that accordingly.

1-1. For each calendar year from 2007 through 2016, how many remittances did you or your agents process?

1-2. For each calendar year from 2007 through 2016, what was the dollar volume of remittances you or your agents processed?

1-3. For each calendar year from 2007 through 2016, what was the dollar volume of fees you or your agents assessed to consumers sending remittance transfers?

1-4. For each calendar year from 2007 through 2016, what was the dollar volume of net revenue you received from the difference in the exchange rate offered to consumers sending remittance transfers and the exchange rate at which you were able to acquire currency to provide to transfer recipients?

1-5. At the end of each year from 2007 through 2016, how many physical locations in the United States including territories, possessions) did you have that offered remittance services, whether owned and operated by you or by an agent?

1-6. At the end of each year from 2007 through 2016, in how many different US states did you have a physical presence that offered remittance services? (A state, as defined in Regulation E 12 CFR 205.2(l) is any state, territory, or possession of the United States; the District of Columbia; and the Commonwealth of Puerto Rico.)

1-7. For each calendar year from 2007 through 2016, how many countries did you send a remittance to?

1-8. If you use the temporary exception, please list each destination country for which you use the temporary exception when you send a remittance. For each destination country, please indicate whether you are using the temporary exception to estimate fees, exchange rates, or both.

1-9. For each year from 2007 through 2016, what proportion of your remittance transfers were initiated via digital means on a consumer's device (e.g. a desktop computer, mobile device, etc.)?

1-10. For each calendar year from 2014 through 2016, what was the number and dollar volume of remittance transfers for which you received a timely error notice from a consumer? What was the number and dollar volume of such transfers for which you determined an error occurred? To the extent you are willing and able to do so with a minimum amount of burden, please subdivide your answers by the country in which the designated recipient or their account was located.

1-11. For each calendar year from 2014 through 2016, what was the number and dollar volume of remittance transfers cancelled within 30 minutes?

1-12. For each calendar year from 2014 through 2016, what was the number and dollar volume of remittance transfers picked up by, or deposited into the account of, the designated recipient within 30 minutes of the sender's payment?

1-13. For each calendar year from 2007 through 2016, how many transfers scheduled in advance did you or your agents process? What was the dollar value of such transactions?

1-14. For each calendar year from 2007 through 2016, how many recurring preauthorized remittance transfers did you or your agents process? What was the dollar value of such transactions?

1-15. For each calendar year from 2007 through 2016, how many times did you provide a consumer a prepayment disclosure when the consumer was physically present? Of those times the consumer received a pre-remittance disclosure, how many times did the consumer decide not to send the remittance after receiving the disclosure?

1-16. At the end of 2016, what languages (other than English) did you or your agents use to provide disclosures to customers?

Section 2: Qualitative information

For this section, please provide all answers in the form of writing. If it would be useful to provide documentation in relation to any of these questions that is not separately solicited in Section 3 of this request, please feel free to do so.

2-1. How do you determine the exchange rates you offer to consumers when they initiate a transfer? How frequently are such rates subject to change?

2-2. To the extent not already clear from any documents provided in the next section, please describe your procedures, policies, and processes for resolving errors pursuant to 12 CFR 1005.33. Please specifically note:

- a. by what channels you accept notices of errors;
- b. what kinds of information and documentation you provide to consumers regarding the process once an error is asserted; and
- c. your investigatory process, including how you determine whether or not any error occurred.

Please also describe your procedures, policies, and processes for resolving consumer issues and complaints that you determine are not errors or for which you did not receive timely notice.

2-3. Please describe your procedures, policies, and processes for reducing potential errors before, as applicable, a consumer pays for the remittance transfer and before the remittance transfer is sent.

2-4. Describe your procedures, policies, and processes for cancelling remittances within 30 minutes pursuant to 12 CFR 1005.34.

- a. Please note if any part of these policies or procedures systematically results in a delay of the availability of funds to recipients. For example, do you delay executing a transaction by 30 minutes to ensure the remittance can be cancelled? If so, how many transactions were so delayed in 2016?
- b. What does “executing a transaction” mean for your institution?
- c. What alternative methods did you consider to comply with the 30 minute cancellation window? If you considered alternative methods, please describe your reason for rejecting them?

2-5. Describe any notable products or services you introduced or discontinued, at least in part, for reasons related to the Remittance Rule. Please describe the precise reasons such action was related to the Remittance Rule, as well as what other factors were related (if any).

2-6. Describe any notable remittance products or services you introduced since October 28, 2013 which are either still in-market or were discontinued for reasons unrelated to the Remittance Rule.

2-7. Describe the burden to you of compliance with the Remittance Rule. Please attempt

to summarize this as best as you can in dollar terms. Please separate out one-time costs relating to implementation of the rule from those costs of compliance that are ongoing. To the extent it is possible to assign costs to specific provisions of the rule, please do so.

2-8. Please briefly describe the non-marketing disclosures relating to remittance transfers you provide to consumers, both those pursuant to and those not required by the Remittance Rule (e.g., those required by a state law). Please separate your response according to the channel (e.g., in-person, over the phone, fax, online) by which the transfer was effected. Please treat transfers initiated online as a separate channel from transfers initiated via a mobile device.

2-9. Describe the policies and procedures by which you determine which disclosures and other documentation (both those pursuant to and those not required by the Remittance Rule) should be translated into a non-English language, the policies and procedures by which you ensure such translations are accurate, and the policies and procedures by which you ensure consumers receive non-English disclosures and other documentation which best meets their needs when such are available.

2-10. Describe the policies and procedures by which you make data about the availability and pricing of your remittance transfer services available to third parties on a regular and/or ongoing basis. For example, do you provide data to any entities which maintain websites intended to allow consumers to compare the pricing and other features of remittance transfers across different providers? If you do not do so, please note this, along with the reasons why.

2-11. Is there other information relevant to our assessment of the Remittance Rule that we have not asked for elsewhere? Please provide any data or documents available to support this additional information.

Section 3: Documentation

Responses to this section should take the form of documentation created by you or an entity you have contracted to create it which is currently used by you in the course of doing business. If any such documentation varies based on circumstance, providing a single template document is adequate; in such cases, please note which parts of the document may vary and why.

3-1. Please provide copies of all disclosures you provide consumers pursuant to the Remittance Rule. Please note which disclosures correspond to which channels. If you provide disclosures in non-English languages, you do not need to provide examples of such disclosures; please simply list the languages in which you provide such disclosures. If you do not provide any disclosures in English, please provide copies of all disclosures in the non-English language in which you provide disclosures most frequently.

3-2. Please provide copies of internal documentation that lays out your error resolution procedures and policies.

Paperwork Reduction Act

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number for this collection is 3170-0032 It expires on 05/31/2019 The time required to complete this information collection is estimated to average 5 hours, per response. The obligation to respond to this collection of information is voluntary Comments regarding this collection of information, including the estimated response time, suggestions for improving the usefulness of the information, or suggestions for reducing the burden to respond to this collection should be submitted to Bureau at the Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW, Washington, DC 20552, or by email to CFPB_PRA@cfpb.gov.