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CFPB – REMITTANCE TRANSFER GUIDANCE – COVID-19

The Consumer Financial Protection Bureau (CFPB) has taken steps to ensure that consumers will be able to continue to send remittance transfers without disruption during the COVID-19 pandemic. In order to minimize the impact of the pandemic on the remittances market, the CFPB issued a policy statement that will enable insured institutions to continue to focus on the immediate needs of their customers by taking a flexible approach to CFPB's supervision and enforcement of remittance transfers.

Section 919 of the Electronic Fund Transfer Act (EFTA), as implemented by the CFPB's Remittance Rule, requires a remittance transfer provider to disclose certain information to consumers who send remittance transfers, including information related to the exact costs of a transfer. The statute also provides insured institutions a temporary exception to that requirement which allows them to disclose estimated exchange rates and certain third-party fees, instead of exact amounts, in some circumstances. The temporary exception will expire on July 21 of this year.

For international remittance transfers that occur on or after July 21, 2020, and before January 1, 2021, the policy statement states that the CFPB will neither cite supervisory violations nor initiate enforcement actions against insured institutions for continuing to provide estimates to consumers under the temporary exception, instead of actual amounts.

The foregoing Compliance Update is for informational purposes only and does not constitute legal advice. As a reminder, the NBA general counsel is the attorney for the Nebraska Bankers Association, not its member banks. The general counsel is available to assist members with finding resources to help answer their questions. However, for specific legal advice about specific situations, members must consult and retain their own attorney.