

10 **SEC. 1073. REMITTANCE TRANSFERS.**

11 (a) TREATMENT OF REMITTANCE TRANSFERS.—The  
12 Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.)  
13 is amended—

14 (1) in section 902(b) (15 U.S.C. 1693(b)), by  
15 inserting “and remittance” after “electronic fund”;

16 (2) in section 904(e) (15 U.S.C. 1693b(e)), in  
17 the first sentence, by inserting “or remittance trans-  
18 fers” after “electronic fund transfers”;

19 (3) by redesignating sections 919, 920, 921,  
20 and 922 as sections 920, 921, 922, and 923, respec-  
21 tively; and

22 (4) by inserting after section 918 the following:

23 **“SEC. 919. REMITTANCE TRANSFERS.**

24 “(a) DISCLOSURES REQUIRED FOR REMITTANCE  
25 TRANSFERS.—

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1           “(1) IN GENERAL.—Each remittance transfer  
2 provider shall make disclosures as required under  
3 this section and in accordance with rules prescribed  
4 by the Board. Disclosures required under this sec-  
5 tion shall be in addition to any other disclosures ap-  
6 plicable under this title.

7           “(2) DISCLOSURES.—Subject to rules pre-  
8 scribed by the Board, a remittance transfer provider  
9 shall provide, in writing and in a form that the send-  
10 er may keep, to each sender requesting a remittance  
11 transfer, as applicable to the transaction—

12           “(A) at the time at which the sender re-  
13 quests a remittance transfer to be initiated, and  
14 prior to the sender making any payment in con-  
15 nection with the remittance transfer, a diselo-  
16 sure describing—

17           “(i) the amount of currency that will  
18 be received by the designated recipient,  
19 using the values of the currency into which  
20 the funds will be exchanged;

21           “(ii) the amount of transfer and any  
22 other fees charged by the remittance trans-  
23 fer provider for the remittance transfer;  
24 and

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1           “(iii) any exchange rate to be used by  
2           the remittance transfer provider for the re-  
3           mittance transfer, to the nearest 1/100th  
4           of a point; and

5           “(B) at the time at which the sender  
6           makes payment in connection with the remit-  
7           tance transfer—

8           “(i) a receipt showing—

9           “(I) the information described in  
10          subparagraph (A);

11          “(II) the promised date of deliv-  
12          ery to the designated recipient; and

13          “(III) the name and either the  
14          telephone number or the address of  
15          the designated recipient, if either the  
16          telephone number or the address of  
17          the designated recipient is provided by  
18          the sender; and

19          “(ii) a statement containing—

20          “(I) information about the rights  
21          of the sender under this section re-  
22          garding the resolution of errors; and

23          “(II) appropriate contact infor-  
24          mation for—

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1                   “(aa) the remittance trans-  
2                   fer provider; and

3                   “(bb) the State agency that  
4                   regulates the remittance transfer  
5                   provider and the Board, includ-  
6                   ing the toll-free telephone num-  
7                   ber established under section  
8                   1013 of the Consumer Financial  
9                   Protection Act of 2010.

10                   “(3) REQUIREMENTS RELATING TO DISCLO-  
11                   SURES.—With respect to each disclosure required to  
12                   be provided under paragraph (2) a remittance trans-  
13                   fer provider shall—

14                   “(A) provide an initial notice and receipt,  
15                   as required by subparagraphs (A) and (B) of  
16                   paragraph (2), and an error resolution state-  
17                   ment, as required by subsection (d), that clearly  
18                   and conspicuously describe the information re-  
19                   quired to be disclosed therein; and

20                   “(B) with respect to any transaction that  
21                   a sender conducts electronically, comply with  
22                   the Electronic Signatures in Global and Na-  
23                   tional Commerce Act (15 U.S.C. 7001 et seq.).

24                   “(4) EXCEPTION FOR DISCLOSURES OF  
25                   AMOUNT RECEIVED.—

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1           “(A) IN GENERAL.—Subject to the rules  
2           prescribed by the Board, and except as provided  
3           under subparagraph (B), the disclosures re-  
4           quired regarding the amount of currency that  
5           will be received by the designated recipient shall  
6           be deemed to be accurate, so long as the diselo-  
7           sures provide a reasonably accurate estimate of  
8           the foreign currency to be received. This para-  
9           graph shall apply only to a remittance transfer  
10          provider who is an insured depository institu-  
11          tion, as defined in section 3 of the Federal De-  
12          posit Insurance Act (12 U.S.C. 1813), or an in-  
13          sured credit union, as defined in section 101 of  
14          the Federal Credit Union Act (12 U.S.C.  
15          1752), and if—

16                   “(i) a remittance transfer is con-  
17                   ducted through a demand deposit, savings  
18                   deposit, or other asset account that the  
19                   sender holds with such remittance transfer  
20                   provider; and

21                   “(ii) at the time at which the sender  
22                   requests the transaction, the remittance  
23                   transfer provider is unable to know, for  
24                   reasons beyond its control, the amount of

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1 currency that will be made available to the  
2 designated recipient.

3 “(B) DEADLINE.—The application of sub-  
4 paragraph (A) shall terminate 5 years after the  
5 date of enactment of the Consumer Financial  
6 Protection Act of 2010, unless the Board deter-  
7 mines that termination of such provision would  
8 negatively affect the ability of remittance trans-  
9 fer providers described in subparagraph (A) to  
10 send remittances to locations in foreign coun-  
11 tries, in which case, the Board may, by rule, ex-  
12 tend the application of subparagraph (A) to not  
13 longer than 10 years after the date of enact-  
14 ment of the Consumer Financial Protection Act  
15 of 2010.

16 “(5) EXEMPTION AUTHORITY.—The Board  
17 may, by rule, permit a remittance transfer provider  
18 to satisfy the requirements of—

19 “(A) paragraph (2)(A) orally, if the trans-  
20 action is conducted entirely by telephone;

21 “(B) paragraph (2)(B), in the case of a  
22 transaction conducted entirely by telephone, by  
23 mailing the disclosures required under such  
24 subparagraph to the sender, not later than 1  
25 business day after the date on which the trans-

1 action is conducted, or by including such docu-  
2 ments in the next periodic statement, if the  
3 telephone transaction is conducted through a  
4 demand deposit, savings deposit, or other asset  
5 account that the sender holds with the remit-  
6 tance transfer provider;

7 “(C) subparagraphs (A) and (B) of para-  
8 graph (2) together in one written disclosure,  
9 but only to the extent that the information pro-  
10 vided in accordance with paragraph (3)(A) is  
11 accurate at the time at which payment is made  
12 in connection with the subject remittance trans-  
13 fer; and

14 “(D) paragraph (2)(A), without compliance  
15 with section 101(e) of the Electronic Signatures  
16 in Global Commerce Act, if a sender initiates  
17 the transaction electronically and the informa-  
18 tion is displayed electronically in a manner that  
19 the sender can keep.

20 “(6) STOREFRONT AND INTERNET NOTICES.—

21 “(A) IN GENERAL.—

22 “(i) PROMINENT POSTING.—Subject  
23 to subparagraph (B), the Board may pre-  
24 scribe rules to require a remittance trans-  
25 fer provider to prominently post, and time-

1 ly update, a notice describing a model re-  
2 mittance transfer for one or more  
3 amounts, as the Board may determine,  
4 which notice shall show the amount of cur-  
5 rency that will be received by the des-  
6 ignated recipient, using the values of the  
7 currency into which the funds will be ex-  
8 changed.

9 “(ii) ONSITE DISPLAYS.—The Board  
10 may require the notice prescribed under  
11 this subparagraph to be displayed in every  
12 physical storefront location owned or con-  
13 trolled by the remittance transfer provider.

14 “(iii) INTERNET NOTICES.—Subject to  
15 paragraph (3), the Board shall prescribe  
16 rules to require a remittance transfer pro-  
17 vider that provides remittance transfers via  
18 the Internet to provide a notice, com-  
19 parable to a storefront notice described in  
20 this subparagraph, located on the home  
21 page or landing page (with respect to such  
22 remittance transfer services) owned or con-  
23 trolled by the remittance transfer provider.

24 “(iv) RULEMAKING AUTHORITY.—In  
25 prescribing rules under this subparagraph,

1 the Board may impose standards or re-  
2 quirements regarding the provision of the  
3 storefront and Internet notices required  
4 under this subparagraph and the provision  
5 of the disclosures required under para-  
6 graphs (2) and (3).

7 “(B) STUDY AND ANALYSIS.—Prior to pro-  
8 posing rules under subparagraph (A), the  
9 Board shall undertake appropriate studies and  
10 analyses, which shall be consistent with section  
11 904(a)(2), and may include an advanced notice  
12 of proposed rulemaking, to determine whether a  
13 storefront notice or Internet notice facilitates  
14 the ability of a consumer—

15 “(i) to compare prices for remittance  
16 transfers; and

17 “(ii) to understand the types and  
18 amounts of any fees or costs imposed on  
19 remittance transfers.

20 “(b) FOREIGN LANGUAGE DISCLOSURES.—The dis-  
21 closures required under this section shall be made in  
22 English and in each of the foreign languages principally  
23 used by the remittance transfer provider, or any of its  
24 agents, to advertise, solicit, or market, either orally or in  
25 writing, at that office.

1           “(e) REGULATIONS REGARDING TRANSFERS TO CER-  
2 TAIN NATIONS.—If the Board determines that a recipient  
3 nation does not legally allow, or the method by which  
4 transactions are made in the recipient country do not  
5 allow, a remittance transfer provider to know the amount  
6 of currency that will be received by the designated recipi-  
7 ent, the Board may prescribe rules (not later than 18  
8 months after the date of enactment of the Consumer Fi-  
9 nancial Protection Act of 2010) addressing the issue,  
10 which rules shall include standards for a remittance trans-  
11 fer provider to provide—

12           “(1) a receipt that is consistent with sub-  
13 sections (a) and (b); and

14           “(2) a reasonably accurate estimate of the for-  
15 eign currency to be received, based on the rate pro-  
16 vided to the sender by the remittance transfer pro-  
17 vider at the time at which the transaction was initi-  
18 ated by the sender.

19           “(d) REMITTANCE TRANSFER ERRORS.—

20           “(1) ERROR RESOLUTION.—

21           “(A) IN GENERAL.—If a remittance trans-  
22 fer provider receives oral or written notice from  
23 the sender within 180 days of the promised  
24 date of delivery that an error occurred with re-  
25 spect to a remittance transfer, including the

1 amount of currency designated in subsection  
2 (a)(3)(A) that was to be sent to the designated  
3 recipient of the remittance transfer, using the  
4 values of the currency into which the funds  
5 should have been exchanged, but was not made  
6 available to the designated recipient in the for-  
7 eign country, the remittance transfer provider  
8 shall resolve the error pursuant to this sub-  
9 section and investigate the reason for the error.

10 “(B) REMEDIES.—Not later than 90 days  
11 after the date of receipt of a notice from the  
12 sender pursuant to subparagraph (A), the re-  
13 mittance transfer provider shall, as applicable  
14 to the error and as designated by the sender—

15 “(i) refund to the sender the total  
16 amount of funds tendered by the sender in  
17 connection with the remittance transfer  
18 which was not properly transmitted;

19 “(ii) make available to the designated  
20 recipient, without additional cost to the  
21 designated recipient or to the sender, the  
22 amount appropriate to resolve the error;

23 “(iii) provide such other remedy, as  
24 determined appropriate by rule of the  
25 Board for the protection of senders; or

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1                   “(iv) provide written notice to the  
2                   sender that there was no error with an ex-  
3                   planation responding to the specific com-  
4                   plaint of the sender.

5                   “(2) RULES.—The Board shall establish, by  
6                   rule issued not later than 18 months after the date  
7                   of enactment of the Consumer Financial Protection  
8                   Act of 2010, clear and appropriate standards for re-  
9                   mittance transfer providers with respect to error res-  
10                  olution relating to remittance transfers, to protect  
11                  senders from such errors. Standards prescribed  
12                  under this paragraph shall include appropriate  
13                  standards regarding record keeping, as required, in-  
14                  cluding documentation—

15                   “(A) of the complaint of the sender;

16                   “(B) that the sender provides the remit-  
17                  tance transfer provider with respect to the al-  
18                  leged error; and

19                   “(C) of the findings of the remittance  
20                  transfer provider regarding the investigation of  
21                  the alleged error that the sender brought to  
22                  their attention.

23                   “(3) CANCELLATION AND REFUND POLICY  
24                  RULES.—Not later than 18 months after the date of  
25                  enactment of the Consumer Financial Protection Act

1 of 2010, the Board shall issue final rules regarding  
2 appropriate remittance transfer cancellation and re-  
3 fund policies for consumers.

4 “(e) APPLICABILITY OF THIS TITLE.—

5 “(1) IN GENERAL.—A remittance transfer that  
6 is not an electronic fund transfer, as defined in sec-  
7 tion 903, shall not be subject to any of the provi-  
8 sions of sections 905 through 913. A remittance  
9 transfer that is an electronic fund transfer, as de-  
10 fined in section 903, shall be subject to all provisions  
11 of this title, except for section 908, that are other-  
12 wise applicable to electronic fund transfers under  
13 this title.

14 “(2) RULE OF CONSTRUCTION.—Nothing in  
15 this section shall be construed—

16 “(A) to affect the application to any trans-  
17 action, to any remittance provider, or to any  
18 other person of any of the provisions of sub-  
19 chapter II of chapter 53 of title 31, United  
20 States Code, section 21 of the Federal Deposit  
21 Insurance Act (12 U.S.C. 1829b), or chapter 2  
22 of title I of Public Law 91–508 (12 U.S.C.  
23 1951–1959), or any regulations promulgated  
24 thereunder; or

1           “(B) to cause any fund transfer that would  
2           not otherwise be treated as such under para-  
3           graph (1) to be treated as an electronic fund  
4           transfer, or as otherwise subject to this title, for  
5           the purposes of any of the provisions referred to  
6           in subparagraph (A) or any regulations promul-  
7           gated thereunder.

8           “(f) ACTS OF AGENTS.—

9           “(1) IN GENERAL.—A remittance transfer pro-  
10          vider shall be liable for any violation of this section  
11          by any agent, authorized delegate, or person affili-  
12          ated with such provider, when such agent, author-  
13          ized delegate, or affiliate acts for that remittance  
14          transfer provider.

15          “(2) OBLIGATIONS OF REMITTANCE TRANSFER  
16          PROVIDERS.—The Board shall prescribe rules to im-  
17          plement appropriate standards or conditions of, li-  
18          ability of a remittance transfer provider, including a  
19          provider who acts through an agent or authorized  
20          delegate. An agency charged with enforcing the re-  
21          quirements of this section, or rules prescribed by the  
22          Board under this section, may consider, in any ac-  
23          tion or other proceeding against a remittance trans-  
24          fer provider, the extent to which the provider had es-  
25          tablished and maintained policies or procedures for

1 compliance, including policies, procedures, or other  
2 appropriate oversight measures designed to assure  
3 compliance by an agent or authorized delegate act-  
4 ing for such provider.

5 “(g) DEFINITIONS.—As used in this section—

6 “(1) the term ‘designated recipient’ means any  
7 person located in a foreign country and identified by  
8 the sender as the authorized recipient of a remit-  
9 tance transfer to be made by a remittance transfer  
10 provider, except that a designated recipient shall not  
11 be deemed to be a consumer for purposes of this  
12 Act;

13 “(2) the term ‘remittance transfer’—

14 “(A) means the electronic (as defined in  
15 section 106(2) of the Electronic Signatures in  
16 Global and National Commerce Act (15 U.S.C.  
17 7006(2))) transfer of funds requested by a  
18 sender located in any State to a designated re-  
19 cipient that is initiated by a remittance transfer  
20 provider, whether or not the sender holds an ac-  
21 count with the remittance transfer provider or  
22 whether or not the remittance transfer is also  
23 an electronic fund transfer, as defined in sec-  
24 tion 903; and

1           “(B) does not include a transfer described  
2           in subparagraph (A) in an amount that is equal  
3           to or lesser than the amount of a small-value  
4           transaction determined, by rule, to be excluded  
5           from the requirements under section 906(a);

6           “(3) the term ‘remittance transfer provider’  
7           means any person or financial institution that pro-  
8           vides remittance transfers for a consumer in the nor-  
9           mal course of its business, whether or not the con-  
10          sumer holds an account with such person or finan-  
11          cial institution; and

12          “(4) the term ‘sender’ means a consumer who  
13          requests a remittance provider to send a remittance  
14          transfer for the consumer to a designated recipi-  
15          ent.”.

16          (b) AUTOMATED CLEARINGHOUSE SYSTEM.—

17                 (1) EXPANSION OF SYSTEM.—The Board of  
18                 Governors shall work with the Federal reserve banks  
19                 and the Department of the Treasury to expand the  
20                 use of the automated clearinghouse system and  
21                 other payment mechanisms for remittance transfers  
22                 to foreign countries, with a focus on countries that  
23                 receive significant remittance transfers from the  
24                 United States, based on—

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1 (A) the number, volume, and size of such  
2 transfers;

3 (B) the significance of the volume of such  
4 transfers relative to the external financial flows  
5 of the receiving country, including—

6 (i) the total amount transferred; and

7 (ii) the total volume of payments  
8 made by United States Government agen-  
9 cies to beneficiaries and retirees living  
10 abroad;

11 (C) the feasibility of such an expansion;  
12 and

13 (D) the ability of the Federal Reserve Sys-  
14 tem to establish payment gateways in different  
15 geographic regions and currency zones to re-  
16 ceive remittance transfers and route them  
17 through the payments systems in the destina-  
18 tion countries.

19 (2) REPORT TO CONGRESS.—Not later than one  
20 calendar year after the date of enactment of this  
21 Act, and on April 30 biennially thereafter during the  
22 10-year period beginning on that date of enactment,  
23 the Board of Governors shall submit a report to the  
24 Committee on Banking, Housing, and Urban Affairs  
25 of the Senate and the Committee on Financial Serv-

1       ices of the House of Representatives on the status  
2       of the automated clearinghouse system and its  
3       progress in complying with the requirements of this  
4       subsection. The report shall include an analysis of  
5       adoption rates of International ACH Transactions  
6       rules and formats, the efficacy of increasing adop-  
7       tion rates, and potential recommendations to in-  
8       crease adoption.

9       (e) EXPANSION OF FINANCIAL INSTITUTION PROVI-  
10      SION OF REMITTANCE TRANSFERS.—

11           (1) PROVISION OF GUIDELINES TO INSTITU-  
12      TIONS.—Each of the Federal banking agencies and  
13      the National Credit Union Administration shall pro-  
14      vide guidelines to financial institutions under the ju-  
15      risdiction of the agency regarding the offering of  
16      low-cost remittance transfers and no-cost or low-cost  
17      basic consumer accounts, as well as agency services  
18      to remittance transfer providers.

19           (2) ASSISTANCE TO FINANCIAL LITERACY COM-  
20      MISSION.—As part of its duties as members of the  
21      Financial Literacy and Education Commission, the  
22      Bureau, the Federal banking agencies, and the Na-  
23      tional Credit Union Administration shall assist the  
24      Financial Literacy and Education Commission in  
25      executing the Strategy for Assuring Financial Em-

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1 powerment (or the “SAFE Strategy”), as it relates  
2 to remittances.

3 (d) FEDERAL CREDIT UNION ACT CONFORMING  
4 AMENDMENT.—Paragraph (12) of section 107 of the Fed-  
5 eral Credit Union Act (12 U.S.C. 1757) is amended to  
6 read as follows:

7 “(12) in accordance with regulations prescribed  
8 by the Board—

9 “(A) to sell, to persons in the field of  
10 membership, negotiable checks (including trav-  
11 elers checks), money orders, and other similar  
12 money transfer instruments (including inter-  
13 national and domestic electronic fund transfers  
14 and remittance transfers, as defined in section  
15 919 of the Electronic Fund Transfer Act); and

16 “(B) to cash checks and money orders for  
17 persons in the field of membership for a fee;”.

18 (e) REPORT ON FEASIBILITY OF AND IMPEDIMENTS  
19 TO USE OF REMITTANCE HISTORY IN CALCULATION OF  
20 CREDIT SCORE.—Before the end of the 365-day period  
21 beginning on the date of enactment of this Act, the Direc-  
22 tor shall submit a report to the President, the Committee  
23 on Banking, Housing, and Urban Affairs of the Senate,  
24 and the Committee on Financial Services of the House of  
25 Representatives regarding—

1           (1) the manner in which the remittance history  
2           of a consumer could be used to enhance the credit  
3           score of the consumer;

4           (2) the current legal and business model bar-  
5           riers and impediments that impede the use of the re-  
6           mittance history of the consumer to enhance the  
7           credit score of the consumer; and

8           (3) recommendations on the manner in which  
9           maximum transparency and disclosure to consumers  
10          of exchange rates for remittance transfers subject to  
11          this title and the amendments made by this title  
12          may be accomplished, whether or not such exchange  
13          rates are known at the time of origination or pay-  
14          ment by the consumer for the remittance transfer,  
15          including disclosure to the sender of the actual ex-  
16          change rate used and the amount of currency that  
17          the recipient of the remittance transfer received,  
18          using the values of the currency into which the  
19          funds were exchanged, as contained in sections  
20          919(a)(2)(D) and 919(a)(3) of the Electronic Fund  
21          Transfer Act (as amended by this section).