

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

August 28, 2014

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Regulation E (Remittance Rule) – Extension of Temporary Exception and Clarifications to the Rule

On August 22, 2014, the Consumer Financial Protection (CFPB) finalized revisions to the remittance rule that it had proposed in April of this year. The revisions extend the time period for the temporary exception that explicitly allows federal insured financial institutions, such as banks and credit unions, to estimate third-party fees and exchange rates when providing remittance transfers to their account holders for which they cannot determine exact amounts. Insured institutions can only use this exception when they cannot determine the exact amounts for reasons beyond their control.

The exception, which was set to expire July 21, 2015, is extended by five years to July 21, 2020. As noted in their [press release](#), the CFPB cannot extend the temporary exception beyond July 21, 2020; however, the CFPB believes that the added extension gives insured institutions additional time to develop reasonable ways to provide consumers with exact fees and exchange rates for all remittance disclosures.

The CFPB also clarified the following aspects of the [rule](#):

- The application of the rule to transfers sent from the U.S. to military bases located in other countries and transfers sent from non-consumer accounts. See comments 30(c)-2 and 30(g).
- The treatment of faxes and certain written or electronic communications from a sender to a provider. See comments 31(a)(2)-5, 31(a)(3)-1 and -2, and 31(e)-1.
- Disclosure of website addresses, other than the CFPB's main website address, a provider may list on consumer receipts (including websites in foreign languages). See Model Forms A-31 and A-40 and comment 31(b)(2)-4.
- Delays due to investigations required by fraud screening procedures, or BSA, OFAC, or similar laws. See section 1005.33(a)(1)(iv)(B) and comment 33(a)-7.
- Amount appropriate to resolve an error for the failure to make funds available by the date of availability. See section 1005.33(c)(2)(iii) and comment 33(c)-5.

The CFPB also updated its [compliance guide](#) to reflect the changes finalized in the revisions.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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