

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

May 6, 2013

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

**CFPB Finalizes Revisions to its Remittance Transfer Rule and Establishes New Effective Date**

On April 30, 2013, the Consumer Financial Protection Bureau (CFPB) issued a rule ([2013 Final Rule](#))<sup>1</sup> to modify the final remittance transfer rules issued in February, July, and August 2012 (collectively the [2012 Final Rule](#)) that implement Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding remittance transfers. Specifically, the 2013 Final Rule finalizes changes first proposed on December 31, 2012, addressing these specific issues:

- *Disclosure of Institution Fees and Foreign Taxes* - The 2013 Final Rule modifies the 2012 Final Rule to make optional, in certain circumstances, the requirement to disclose fees imposed by a designated recipient's institution. The 2013 Final Rule would also make optional the requirement to disclose taxes collected by a person other than the remittance transfer provider. In place of these two former requirements, the 2013 Final Rule requires disclaimers to be added to the rule's disclosures indicating that the recipient may receive less than the disclosed total due to the fees and taxes for which disclosure is now optional.
- *Errors from Incorrect Account Information* - The 2013 Final Rule also creates an exception to the 2012 Final Rule's error provisions for certain situations in which a sender provides an incorrect account number or recipient institution identifier and that mistake results in the transfer being deposited in the account of someone other than the designated recipient. If certain conditions are met, the remittance transfer provider would be required to attempt to recover the funds but would not bear the cost of funds that cannot be recovered. The 2013 Final Rule also streamlines the error resolution procedures in other situations where a sender's provision of incorrect or incomplete information results in an error under the rule.

As noted in the CFPB's [press release](#), the complete money transfer rule, which includes the 2013 Final Rule and the rules published on February 7, 2012 (77 FR 6194), July 10, 2012 (77 FR 40459), and August 20, 2012 (77 FR 50244) are effective October 28, 2013.

**Resource**

Additional information on CFPB rules and related guidance can be found on the CFPB's website at <http://www.consumerfinance.gov/>.

**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/letters>.

For additional information regarding supervisory expectations, please contact:

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<sup>1</sup>The final rule amends subpart B of Regulation E, which implements the Electronic Fund Transfer Act, and the official interpretation to the regulation.