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Submitted Electronically

May 23, 2017

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1275 First Street NE
Washington, DC 20002

Re: Request for Information Regarding Remittance Rule Assessment
Docket No. CFPB-2017-0004

Dear Ms. Jackson:

The Independent Community Bankers of America¹ (ICBA) appreciates the opportunity to comment on the Consumer Financial Protection Bureau ("CFPB") request for information regarding its remittance rule assessment report.

The CFPB is seeking public comment for inclusion in its assessment report related to the remittance transfer rule ("the Rule") under the Electronic Fund Transfer Act. This assessment, required under section 1022(d) of the Dodd-Frank Act, requires that the CFPB conduct an assessment of significant rules and orders, and report the results of its assessment, no later than five years after the effective date of the rule in question. The section also requires the CFPB to seek the public's recommendations for modifying, expanding, or eliminating the significant rule. The CFPB has concluded that the Rule is

¹ The Independent Community Bankers of America®, the nation's voice for more than 5,800 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With 52,000 locations, nationwide, community banks employ 760,000 Americans, hold \$4.7 trillion in assets, \$3.7 trillion in deposits, and \$3.2 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA's website at www.icba.org.

The Nation's Voice for Community Banks.®

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significant, and is therefore commencing the process of determining whether the Rule meets its purposes and goals pursuant to the Dodd-Frank Act and the CFPB.

While we appreciate the CFPB's outreach efforts to the financial services industry during the original rulemaking process, ICBA is concerned that the Rule has discouraged community banks from offering this service and has hampered growth. ICBA estimates that about one-third of community banks offer remittance transfer service with less than five percent planning to offer it in the next two years. Of the community banks that offer remittance transfers, 98 percent use wire transfer, 10 percent use ACH and 5 percent use a closed loop system.² Additionally, ICBA continues to assert that the Rule covers more than remittance transfers (sending relatively small-dollar, transfers to other countries) and covers large dollar international investments and down-payments.

ICBA strongly recommends the following changes to the rules to increase adoption, reduce unnecessary regulation and improve the customer experience:

1. Increase the de minimis safe harbor from 100 to 1200 transactions annually. This safe harbor would enable many more community banks to grow the service to a meaningful level. The current safe harbor serves as a deterrent to community banks offering and improving these services. Once the threshold of 1200 transfers per year is exceeded, community banks will be in a better position to comply with the Rule, and less likely to terminate the program.
2. Make permanent the provision that allows depository institutions to provide estimates of third-party fees and exchange rates to low-volume corridors in which it is not feasible/economical for providers to make arrangements that enable exact disclosures. Most community banks use open payments networks such as wire transfer and ACH and providing precise quotes of downstream activity is next to impossible.
3. Modify the definition of "remittance transfer" to provide an exemption on transfers in the amount of \$10,000 or more. Typically, remittances are most commonly the tool used by consumers sending small denominations of their earnings to family members in other countries. Large dollar transfers are used for investments and property purchases and the customers requesting these require speed above all. The additional disclosures and the cancellation period present unnecessary speed bumps that could present costly delays. As it stands, the current definition is cumbersome and lacks any real rationale supporting its use.

² 2013 ICBA Payments Survey, adjusted in 2017 to reflect community bank trends.

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4. Reduce the time for filing complaints from 180 days to 60 days. The 180 day requirement is excessive and goes beyond that which is currently required under Subpart A of Regulation E which dictates the time in which a consumer must assert an error (See 1005.6(b)(3)). A sender would not need 180 days as the same sender would likely realize an error upon the intended recipients' attempt to access to funds.
5. Eliminate the "availability date" which would remove the burden of community banks having to predict when they believe funds would be available in a foreign location. The availability date is often padded to ensure compliance. The removal of this requirement would place a higher expectation on providers to ensure funds are available as soon as possible.
6. Eliminate the combined prepayment/receipt disclosure requirements as there is no evidence that consumers "comparison shop" for service rates.
7. Eliminate duplicative disclosure requirements to senders making multiple, concurrent transactions by phone. Duplicative disclosures simply add to consumer's frustration because it prolongs what is meant to be a quick and convenient alternative to a face-to-face time consuming process.
8. Eliminate the 30 minute cancellation requirement since most consumers value transaction speed over reversibility. This requirement currently slows down the process as most providers delay transmittal by 30 minutes and simply wait for a customer to potentially return during that timeframe rather than running afoul of compliance requirements. A customer conducting a remittance transfer is more committed to the transaction and the likelihood of a cancellation within 30 minutes is low.
9. Removal of the inequitable provision requiring the provider to absorb fees and costs resulting from sender error. While the CFPB's approach is to protect the consumer, such protection should not be at "all costs" and to the detriment of the provider.

ICBA appreciates the opportunity to provide recommendations for inclusion in the CFPB's remittance transfer rule assessment report. If you have any questions or would like additional information, please contact Rhonda Thomas-Whitley (Rhonda.Thomas-Whitley@icba.org) or Cary Whaley (Cary.Whaley@icba.org) at 202-659-8111.

Sincerely,

/s/

Rhonda Thomas-Whitley

Assistant Vice President & Regulatory Counsel

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