Consumer Financial Protection Bureau

Making International Money Transfers Transparent and Reliable

The Consumer Financial Protection Bureau (CFPB) has adopted a rule that provides new consumer protections for U.S. money transfers to recipients abroad. This rule will make the costs of remittances clear upfront and will hold companies accountable for fixing errors.

To view the full text of the rule, click here:
http://www.consumerfinance.gov/regulations/final-remittance-rule-amendment-regulation-e/

OVERVIEW

- **U.S.-based consumers send tens of billions of dollars of remittances, or certain international money transfers, to foreign countries each year.** World Bank data suggests that the U.S. is one of the largest remittance-sending countries in the world. Many remittances sent from the U.S. go to Latin America and to Asia.

- **People sending money to other countries sometimes encounter hidden or unexpected costs.** Because federal consumer protection rules generally did not apply to remittances, transfer providers have not consistently been required to disclose applicable fees, exchange rates, and amount to be received for these transactions. As a result, consumers do not always know how much money will be received on the other end and may not be able to easily comparison shop easily among transfer providers.

- **The Dodd-Frank Wall Street Reform and Consumer Protection Act directed the CFPB to adopt a rule to make remittance transfers to other countries more transparent and reliable.** The CFPB's new rule, which applies to most remittance transfers sent from U.S. consumers to foreign countries, generally requires remittance transfer providers to disclose costs upfront and fix errors they make. These requirements apply to most companies that offer remittance transfers, including banks, thrifts, credit unions, and money transmitters. The rule will take full effect in February 2013.

NEW CONSUMER PROTECTIONS FOR INTERNATIONAL MONEY TRANSFERS

- **Better Disclosures:** With this rule, remittance transfer providers must generally disclose the exchange rate, any fees and taxes related to the remittance, the amount of money that will be received for these transactions abroad, and the date the money will be available. Certain disclosures must be provided both before and after the consumer pays for a remittance transfer. Consumers generally will receive these disclosures in English and sometimes in other languages. The clarity that can come from these disclosures will likely inform consumer decisions and instill confidence.

- **Option to Cancel:** Typically, consumers will have at least 30 minutes after payment to cancel a remittance. If they cancel within the 30 minute window, they will get their money back, whether they make a mistake, change their minds, or feel something isn't right.

- **Correction of Errors:** With this rule, remittance transfer providers will generally be held accountable for errors. If a remittance sender reports a problem with a transfer within 180 days, the provider must generally investigate and correct errors. Companies that provide remittance transfers may also be responsible for mistakes made by their agents. This will likely encourage remittance transfer providers to only use reliable agents and partners in the U.S. and abroad.