Consumer Financial Protection Bureau

1700 G Street, N.W., Washington, DC 20552

Remittance transfer rule factsheet

Information to help you understand and explain new rules on remittance transfers

- **What is a remittance transfer?**

Many people use the word "remittance" when they refer to sending money from the United States to other countries. Remittance transfers are commonly known as "international wires," "international money transfers," or "remittances." Federal law defines remittance transfers to include most electronic money transfers sent by consumers in the United States through "remittance transfer providers" to recipients in other countries. These recipients can include friends, family members, or businesses. Transfers also must be for more than $15.

- **What is a remittance transfer provider?**

Under federal law, a remittance transfer provider is a company that, in the normal course of business, transfers money electronically for consumers in the United States to people and businesses in other countries.

Remittance transfer providers include many money transmitters, banks and credit unions, and possibly other types of financial services companies.

The federal law does not apply to companies that consistently provide 100 or fewer remittance transfers each year.

- **Transfers covered**
  The new federal law's protections only apply to transfers that qualify as remittances, and that are sent by remittance transfer providers. For example:

🚫	A money transfer sent to someone in the United States through a remittance transfer provider would not be covered because the transfer is not an *international* money transfer.
🚫	A remittance transfer sent through a company that consistently provides fewer than 100 remittance transfers per year would not be covered because the company is not a remittance transfer provider.
O	A money transfer of more than $15 sent by a consumer to someone outside the United States through a remittance transfer provider is covered.

- **Problems addressed**

In the past, consumers sending money outside the United States might have received limited or inconsistent information about the costs of international money transfers and how much money would arrive on the other end. If consumers experienced problems sending money outside the country, there was little federal law that protected them.

- **What the new rule does**

The new federal law gives consumers who send remittance transfers:

- **More information before they pay**. Now consumers will see information about the exchange rate, fees, and taxes they'd be charged, and the amount that would be received. This information is free and consumers are under no obligation to continue with the transfer once they receive the information.

- **Protection if something goes wrong**. If a consumer thinks an error was made with a remittance transfer and tells the company promptly, the company will generally have 90 days to investigate the matter. The company must notify the consumer of the investigation's results. In some cases, the consumer may be able to get a refund or have the transfer sent again.

- **Pre-payment disclosures**

Now consumers generally will receive information before they pay for money transfers to other countries. This information is free. Consumers are not required to complete the transfer when they receive this information. They can choose to go ahead and send the money, or use the information to compare costs.

For most transfers covered by the new law, information must be given in writing before the consumer pays for the transfer. This includes information about:

- The exchange rate.
- Fees and taxes collected by the company.
- Fees charged by the company's agents abroad and certain other institutions involved in the transfer process.
- The amount of money expected to be delivered, not including foreign taxes or certain fees charged to the recipient.
- If appropriate, a statement that additional foreign taxes and fees may be deducted from the remittance transfer.

ABC Company
1000 XYZ Avenue
Anytown, Anystate 12345

Today's Date:	March 3, 2014

NOT A RECEIPT

Transfer Amount:	$100.00
Transfer Fees:	+$7.00
Transfer Taxes:	+$3.00
Total:	$110.00

Exchange Rate:	US$1.00 = 12.27 MXN

Transfer Amount:	1,227.00 MXN
Other Fees:	-30.00 MXN
Total to Recipient:	1,197.00 MXN

Recipient may receive less due to fees charged by the recipient's bank (Est. 30 MXN) and foreign taxes (Est. 10 MXN).

- **When the transfer is paid**

Companies may also be required to provide the following information when consumers pay for transfers:

  - Exchange rate, fee and tax information that matches the amounts the remittance provider gave on the pre-payment disclosure.
  - When the money will be available at its destination.
  - The right to cancel the transfer.
  - What to do in case of an error.
  - How to submit a complaint.

Companies also generally have the option to provide all of the required information in a single disclosure before payment is made.

In most cases, consumers will have up to 30 minutes (and sometimes more) to cancel their transfers at no charge. If a remittance transfer is scheduled in advance, it can be canceled up to three business days before it is made.

- **If a remittance transfer goes wrong**

If something goes wrong, consumers now have **up to six months to dispute an error** with the remittance transfer provider.

The company then has **90 days to investigate** the matter and must tell the consumer the results of the investigation. For certain types of errors, such as if the money never arrives, the consumer may be able to get a refund or have the money sent again.

Consumers can also **submit a complaint to the CFPB**.

Other protections may also be available, depending on how consumers send the money and the laws in their states.

- **For more information visit or call CFPB**

  - Ask CFPB (English): consumerfinance.gov/askcfpb
  - Ask CFPB (Spanish): consumerfinance.gov/es
  - Answers in more than 180 languages: 855-411-CFPB (2372); TTY/TDD (855) 729-CFPB (2372).

- **About the CFPB**

  The Consumer Financial Protection Bureau was created by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Bureau is focused on making the consumer financial markets work for families by empowering consumers to take more control over their financial lives. The CFPB is working to foster a marketplace:
  - Where consumers can see prices and risks upfront and where they can easily make product comparisons.
  - In which no one can build a business model around unfair, deceptive, or abusive practices.
  - That works for American consumers, responsible providers, and the economy as a whole.