

Consumer Financial Protection Bureau Announces Guidance on Remittance Transfers During COVID-19 Pandemic

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WASHINGTON, D.C. – Today the Consumer Financial Protection Bureau (Bureau) took steps to ensure that consumers will be able to continue to send remittance transfers without disruption during the COVID-19 pandemic.

The pandemic is having a significant impact on consumers' finances, both here and around the world, and many consumers rely on remittance transfers to send money from the United States to their families and friends abroad. In order to minimize the impact of the pandemic on the remittances market, the Bureau issued a policy statement that will enable insured institutions to continue to focus on the immediate needs of their customers by taking a flexible approach to the Bureau's supervision and enforcement of remittance transfers.

The Bureau proposed amendments to the Remittance Rule in December 2019 in part to address the effects of the expiration of that temporary exception and expects to issue a final rule in May. Section 919 of the Electronic Fund Transfer Act (EFTA), as implemented by the Bureau's Remittance Rule, requires a remittance transfer provider to disclose certain information to consumers who send remittance transfers, including information related to the exact costs of a transfer. The statute also provides insured institutions a temporary exception to that requirement which allows them to disclose estimated exchange rates and certain third-party fees, instead of exact amounts, in some circumstances. By statute, that temporary exception will expire on July 21 of this year.

The Bureau expects that after the temporary exception expires, some insured institutions that currently disclose estimates under the temporary exception may have challenges disclosing actual costs and thus without intervention may cease providing remittance services to their customers.

For international remittance transfers that occur on or after July 21, 2020 and before Jan. 1, 2021, the policy statement states that the Bureau will neither cite supervisory violations nor initiate enforcement actions against insured institutions for continuing to provide estimates to consumers under the temporary exception, instead of actual amounts.

The Statement on Supervisory and Enforcement Practices Regarding the Remittance Rule in Light of the COVID-19 Pandemic is available at: https://files.consumerfinance.gov/f/documents/cfpb_policy-statement_remittances-covid-19_2020-04.pdf

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.