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VIA ELECTRONIC SUBMISSION AT REGULATIONS.GOV

Russell Vought
Acting Director
Consumer Financial Protection Bureau
1700 G Street N.W.
Washington, D.C. 20552

**Re: Advance Notice of Proposed Rulemaking and Request for Comment
Concerning Larger Participant Rule for the International Money
Transfer Market (Docket No. CFPB-2025-0025)**

Dear Acting Director Vought:

We, the undersigned attorneys general for eighteen states and the District of Columbia (the “States”), write in response to the Consumer Financial Protection Bureau’s (“CFPB”) advance notice of proposed rulemaking and request for comment titled “Defining Larger Participants of the International Money Transfer Market,” concerning whether to amend the CFPB’s test for determining which international money transfer providers are “larger participants” in the market (“ANPR”).¹ The CFPB is contemplating raising the larger participant threshold to significantly reduce the number of international money transfer providers under its supervision. For the reasons discussed in detail below, the CFPB should not do so.

American consumers deserve to be treated fairly when sending money abroad. Yet too often consumers are charged hidden junk fees, lose money due to transfer errors, or are deceived by bad actors in the industry about the terms and conditions of the international money transfers they make. In light of widespread industry noncompliance with the legal protections owed to consumers under the Electronic Fund Transfer Act (“EFTA”) and the Remittance Rule, reducing the scope of the CFPB’s supervision over money transfer providers is the wrong approach.² And the justifications for doing so set out in the ANPR are meritless.

¹ See *Defining Larger Participants of the International Money Transfer Market, Advance Notice of Proposed Rulemaking*, 90 Fed. Reg. 38412 (proposed Aug. 8, 2025) (to be codified at 12 C.F.R. 1090) (“ANPR”).

² See 15 U.S.C. 1693, *et seq.*; 12 C.F.R. 1005.30, *et seq.*

I. Summary of the ANPR

The CFPB issued the ANPR seeking information as to whether to propose a rule amending the test to define “larger participants” in the international money transfer market to reduce the number of entities under CFPB supervision. Currently, an international money transfer provider is a larger participant subject to CFPB supervision if it “has at least one million aggregate annual international money transfers.”³ The CFPB estimates that approximately 28 nonbank international money transfer providers qualify as larger participants under the current standard.⁴ The CFPB is considering raising the threshold so that fewer international money transfer providers are subject to supervision. The highest threshold contemplated by the CFPB – 50 million annual international money transfers -- would result in only four entities being subject to CFPB supervision.⁵ As justification for the potential change, the CFPB states that it “is concerned that the benefits of the current threshold may not justify the compliance burdens” for some supervised entities, and that “the current threshold may be diverting limited Bureau resources to determine whom among the universe of providers may be subject to the Bureau’s supervisory authority and whether these providers should be examined in a particular year.”⁶ The CFPB asserts that some larger participant international money transfer providers may qualify as small businesses under the Small Business Administration’s (SBA) standards.⁷ The CFPB solicits input regarding the appropriateness and calculation of the current threshold and how changing the threshold would impact the CFPB’s capabilities, affect consumers and alter the compliance costs and behavior of international money transfer providers.⁸

II. The States’ Objections to the ANPR Proposal

A. Reducing International Money Transfer Supervision Cannot be Squared with the CFPB’s Consistent Findings of Legal Noncompliance in the Market

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Public Law 11-203, 124 Stat. 1376 (2010) (“Dodd-Frank”) provides that the CFPB “*shall*” maintain a supervision program that is “based on the assessment by the Bureau of the risks posed to consumers in the relevant product markets.”⁹ To aid the CFPB in fulfilling its obligation to supervise the riskiest entities the Dodd-Frank Act provides the CFPB supervision authority over participants in certain enumerated markets, as well as entities in other markets that the CFPB defines as “larger participants.”¹⁰

Based on the CFPB’s own findings of noncompliance throughout the market for international money transfers, substantially reducing the scope of its supervision authority is inconsistent with its statutory obligation to conduct its program in a risk-based manner. In recent years, CFPB’s

³ 12 C.F.R. 1090.107(b).

⁴ *ANPR, supra n.1* at 38414.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* at 38415

⁹ 12 U.S.C. § 5514(b)(1) (emphasis added).

¹⁰ 12 U.S.C. § 5514(a)(1)(B); 12 U.S.C. § 5514(a)(2).

supervision and enforcement divisions have found widespread noncompliance with EFTA, the Remittance Rule, and the Dodd-Frank Act. The CFPB regularly publishes supervisory findings reflecting these legal violations and resulting consumer harm. For example, CFPB examiners have found that international money transfer providers have repeatedly charged undisclosed fees, failed to correct transfer errors resulting in the loss of consumer funds, deceptively advertised transfer speeds, illegally forced consumers to waive their EFTA rights, failed to make required disclosures, and illegally failed to refund fees and taxes owed to consumers.¹¹ Similarly, the CFPB's enforcement division continues to find significant and continuing legal noncompliance with EFTA and the Remittance Rule.¹² These violations have persisted over the years despite numerous public actions putting the industry on notice of the applicable consumer protection laws. Should the CFPB limit its supervisory authority as contemplated in the ANPR bad actors will continue to violate the law and consumers will have little recourse. Abdicating the CFPB's supervisory obligations over the international money transfer market in the face of significant continuing legal noncompliance and consumer injury would not reflect a risk-based supervisory approach. And the CFPB's ability to respond to incidents of consumer harm and market failures would be crippled.

Substantially reducing supervision of the international money transfer industry will also create an uneven playing field by placing supervised entities that operate in good faith at a disadvantage against unsupervised providers that seek to skirt the consumer protection laws. A robust

¹¹ See, e.g., CFPB, *Supervisory Highlights: Junk Fees Update Special Edition*, Issue 31, Fall 2023, Oct. 11, 2023, at 13-14 available at <https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-junk-fees-update-special-edition-issue-31-fall-2023> (finding undisclosed international money transfer fees, failures to correct transfer errors); CFPB, *Supervisory Highlights*, Issue 26, Spring 2022, May 2, 2022 at 22-25 available at <https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-26-spring-2022> (finding deceptive claims on transfer speeds, illegal waivers of consumer rights, failures to make required disclosures, failures to appropriately investigate transfer errors); CFPB, *Supervisory Highlights*, Issue 25, Fall 2021, Dec. 8, 2021, at 17-18, available at <https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-25-fall-2021> (finding that providers did not investigate transfer errors); CFPB *Supervisory Highlights*, Issue 18, at 10-12 available at <https://www.consumerfinance.gov/about-us/newsroom/bureau-announces-18th-edition-supervisory-highlights> (finding failures to refund owed international transfer fees and taxes).

¹² See, e.g., Amended Consent Order, *In the Matter of Wise US, Inc.*, No. 2025 CFPB-0024, May 15, 2025, available at https://files.consumerfinance.gov/f/documents/cfpb_wise-us-inc_amended-consent-order_2025-05.pdf; Consent Order, *In the Matter of Chime, Inc.*, No. 2023-CFPB-0012, May 7, 2024, available at https://files.consumerfinance.gov/f/documents/cfpb-0012-chime-inc-dba-sendwave-consent-order_2023-10.pdf; Consent Order, *In the Matter of Servicio UniTeller, Inc.*, No. 2022-CFPB-0012, Dec. 22, 2022, available at https://files.consumerfinance.gov/f/documents/cfpb_servicio-uniteller-inc_consent-order_2022-12.pdf; Consent Order, *In the Matter of Envios de Valores La Nacional Corp.*, No. 2020-BCFP-0025, Dec. 21, 2020, available at https://files.consumerfinance.gov/f/documents/cfpb_envios-de-valores-la-nacional-corp_consent-order_2020-12.pdf; *In the Matter of Maxitransfers Corp.*, No. 2019-BCFP-0008, Aug. 27, 2019, available at https://files.consumerfinance.gov/f/documents/cfpb_maxitransfers_consent-order_2019-08.pdf; see also Stipulated Final Judgment and Order, *The People of the State of New York by Letitia James, Attorney General for the State of New York v. MoneyGram International Inc., et al.*, No. 22-cv-3256 (S.D.N.Y.), Jun. 16, 2025, available at <https://storage.courtlistener.com/recap/gov.uscourts.nysd.578621/gov.uscourts.nysd.578621.127.0.pdf>

supervision program is required to maintain an even playing field by ensuring that all marketplace participants play by the same rules. The proposal contemplated in the ANPR would distort the market by subjecting only a small number of entities to supervision while allowing bad actors in the rest of the industry to gain a competitive advantage by underinvesting in consumer compliance programs and engaging in unlawful practices.

B. Costs to Industry from the Current Threshold are not Unduly Burdensome

The CFPB's asserted concern that the current 1 million transfer threshold is unduly burdensome to industry is without merit.

First, industry legal compliance obligations, and the associated costs to international money transfer providers, arise from the substantive consumer protection statutes passed by Congress and the regulations promulgated to implement those statutes; not whether the entity is supervised by the CFPB. A participant in the international money transfer space is obligated to comply with its obligations under the EFTA, the Remittance Rule, the Dodd-Frank Act, and other applicable laws, regardless of its larger participant status. As a result, compliance costs unrelated to responding to specific examination activities are not affected by a covered person's status as a larger participant.

Second, examination costs are not unduly burdensome for supervised participants in the international money transfer market under the current larger participant threshold. The CFPB has estimated the cost of compliance with an average supervisory examination at approximately \$27,000.¹³ The possibility of incurring an examination compliance cost of approximately \$27,000 over a period of several years is not unduly burdensome for companies with more than 1 million annual transfers. This is particularly true when balanced against the significant levels of consumer injury and legal noncompliance in the market.

Third, international money transfer providers do not incur significant costs associated with "monitoring larger participant status."¹⁴ The 1 million transfer threshold test sets a clear standard, and entities have records sufficient to show whether they meet that threshold.

C. The Other Justifications in the ANPR are Without Merit

The other potential justifications for raising the larger participant threshold set out in the ANPR are without merit. *First*, the asserted concern that a higher number of supervised entities unduly diverts CFPB resources to determine which entities to examine is baseless. The CFPB estimates in its ANPR that the number of international money transfer providers that qualify as larger participants under the current threshold "approximately 28 nonbank covered persons."¹⁵ It is not credible that determining which among these 28 entities should be examined in a given year is burdensome to the CFPB. In any event, making risk-based examination scheduling decisions, and understanding which entities are under the CFPB's supervisory jurisdiction, is a basic part of the CFPB's statutory mandate. *Second*, whether a company is classified as a small business by the SBA has no bearing on whether the company's activities present risk to consumers, which is

¹³ See *Legal Standard Applicable to Supervisory Designation Proceedings, Proposed Rule*, 90 Fed. Reg. 41520 (proposed Aug. 26, 2025) (to be codified at 12 C.F.R. 1091).

¹⁴ *ANPR supra* n.1 at 38415.

¹⁵ *Id.* at 38414.

what the CFPB is required to consider under its risk-based supervision mandate. The considerations driving a company's SBA categorization as a small business are inapposite to those relevant to whether the company's activities present risk to consumers. In any event, the CFPB has produced no data or meaningful analysis showing that a significant number of small businesses are larger participants in the international money transfer market, and it asserts that it has previously determined that "less than one percent" of small businesses in the market may qualify as larger participants under the current 1 million transfer threshold.¹⁶

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For the foregoing reasons, the CFPB should not modify the larger participant threshold for international money transfer providers as contemplated in the ANPR.

Respectfully submitted,



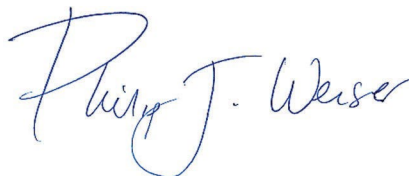
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¹⁶ *Id.* n. 13 (quoting the CFPB's 2014 estimate set forth at 79 FR 56631, 56649).



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