

Alert

CFPB Updates Remittance Rule Compliance Guide and Issues Clarifying Amendment and Technical Correction

August 13, 2013

On Aug. 8, 2013 the Consumer Financial Protection Bureau (“CFPB”) released an [update](#) of its small business guide for international fund transfers. The revisions reflect changes made to the remittance rule earlier this year that: (1) delayed the rule’s effective date; (2) revised the error resolution provisions that apply when a sender provides an incorrect account number or recipient institution identifier; and (3) made optional, under certain circumstances, disclosure requirements regarding fees charged by a recipient’s bank and taxes charged by a person other than the remittance transfer provider. Along with the guide, the CFPB also released a [video](#) that provides an overview of the rule, including the recent changes.

Separately, the CFPB also published a [clarificatory amendment and technical correction](#) to the final rule. The amendment relates the remedies for errors that occur because a sender provided incorrect or insufficient information to the remittance transfer provider. Under such circumstances, the rule requires providers to refund or, at the consumer’s request, reapply to a new transfer “the amount of funds provided by the sender” less “any fees actually imposed on or, to the extent not prohibited by law, taxes actually collected on the remittance transfer as part of the first unsuccessful remittance transfer attempt.” The amendment clarifies that the “amount of funds provided” refers to the total amount that the sender paid to the provider, rather than just the principal amount.

The technical correction restores the inadvertent deletion of comment 33(c)-5 and renumbers the newly added comment relating to the form of refund to 33(c)-6.

The changes to the final rule will take effect on Oct. 28, 2013.

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