



June 27, 2019

Staff Attorney
Comment Intake
Office of Regulations
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: ICUL Comments Request for Information Regarding Potential Changes to the Remittance Rule
Docket No.: CFPB-2019-0018

Dear Staff Attorney:

The Indiana Credit Union League (ICUL) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) Request for Information Regarding Potential Changes to the Remittance Rule. The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.5 million consumers.

The request for information is seeking comments regarding two specific aspects of the remittance rule: 1) the impact of and ways to mitigate the effects of the expiration of the temporary exception, and 2) the scope of coverage of the rule. The current rule requires entities that provide remittance services in the "normal course of its business," to disclose the actual exchange rate and the amount to be received by the recipient of the remittance transfer prior to the time the consumer pays for the transfer. The current rule also includes two exceptions to the rule's requirements, a temporary exception and a permanent exception.

The temporary exception applies to remittance providers when "(i) they are an insured depository institution or insured credit union (collectively, insured institutions) that make transfers from an account the sender holds with them and they are unable to know, for reasons beyond their control, the amount of currency that will be made available to the designated recipient." The temporary exception allows these remittance providers to provide "a reasonably accurate estimate of foreign currency to be received." This estimate would include an estimated exchange rate and third-party fees that may be incurred. The CFPB commentary states that "credit unions conducted 0.2 percent of remittance transfers" covered by the rule, which the bureau calculated to be about 760,000 remittances. The CFPB further assumed that credit unions relied on this temporary exception for all of these transfers.

The temporary exception will expire July 1, 2020 and cannot be extended per Electronic Funds Transfer Act (EFTA) as modified by the Dodd Frank Act. With no change to the EFTA by Congress, all remittance transfers will be covered by the disclosure requirements of the EFTA when the temporary exception expires. Based on this, we believe that the CFPB should reevaluate the safe harbor threshold in the "normal course of business" definition. Also available to the CFPB is exercising its authority to exempt entities from regulations when deemed appropriate.

The current rule safe harbor threshold exempts remittance providers that process fewer than 100 transfers a year. In its commentary, the CFPB expresses its concern "about the Rule's effects on certain remittance transfer providers that account for a small number of remittance transfers overall but nonetheless fall within the Rule's coverage because the number of remittance transfers they provide exceed 100 transfers a year, and are not able to use the current safe harbor..." A significant number of our member credit unions have opted to no longer offer international wires due to the disproportional cost for the low number of transfers processed. We encourage the CFPB to consider

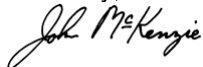
increasing the safe harbor threshold to at least 500 remittance transfers per year. This increase would provide relief to those entities that may periodically exceed the threshold due to a temporary increase in remittances that would result in slightly exceeding the current 100 remittance threshold.

The CFP states in its commentary that its Assessment Report showed that “the smaller the asset size of the financial institution, the fewer total number of remittance transfers it offers on average.” The commentary further states that there is not currently a small institution exemption, but the EFTA does have wording that would allow the CFPB to develop and implement such an exemption. We believe that it is appropriate that the CFPB implement a small institution exemption.

The CFPB also has the authority to exempt a group of institutions from its regulations on a case-by-case basis. As member owned, not-for-profit cooperatives, credit unions primarily provide products and services, including remittance services, to their member/owners. As additional regulation is placed on credit unions, the cost of compliance is borne by the members/owners. We believe that exempting credit unions as a group from this regulation going forward would be appropriate.

Thank you for the opportunity to comment on the CFPB's Request for Information Regarding Potential Changes to the Remittance Rule. We appreciate the CFPB's recognition of the potential impact certain aspects of the Remittance Rule may have on smaller institutions, of which the vast majority of credit unions would be classified. If you have any questions regarding our comment letter, please contact me at (317) 594-5320. Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "John McKenzie".

John McKenzie
President
Indiana Credit Union League

