



**CUNA**

Credit Union National Association

[cuna.org](http://cuna.org)

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October 14, 2009

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Frank,

On behalf of the Credit Union National Association (CUNA) and the World Council of Credit Unions (WOCCU), we are writing regarding Section 139 of the manager's amendment to the September 25, 2009 Discussion Draft of the Consumer Financial Protection Agency (CFPA) Act of 2009. CUNA represents approximately 90 percent of America's 8,000 credit unions and their 92 million members. WOCCU is the global trade association and development agency for credit unions. Worldwide, 54,000 credit unions in 97 countries serve 186 million people.

### **Credit Unions Offer Remittance Services**

Over the last decade, the cost of international money transfers has dropped significantly due to an increased number of lower-cost market entrants, improved pricing disclosure at the point of sale, and the global dispersal of improved telecommunication technologies, among other causes. The resulting efficiencies have had a tremendous impact internationally. Lower costs not only put more money in the hands of consumers, many of whom rank among the world's poor, they also positively contribute to real economic growth in many of the world's emerging economies. As these markets mature and grow, they represent new opportunities for U.S. business and provide support for stable political regimes.

In 2001, WOCCU launched its IRnet service to facilitate the sending and receiving of remittances through credit unions. We work with five remittance firms to facilitate transactions through approximately 330 credit union locations throughout the United States and 1,000 rural and urban credit union locations in Mexico, El Salvador, Guatemala, Bolivia, Ecuador, Nicaragua, Peru, and Kenya as distributors of remittances. We believe that these activities and the \$2.6 billion that has been transmitted through the IRnet program since its inception makes it one of, if not the largest, remittance program of any microfinance network.



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**Concerns with New Remittance Language**

We are concerned that Section 139 would increase the cost for IRnet transfers for credit union members as well as for all other transfers on all remittance systems, and that these costs will be borne by those who send remittances.

Specifically, we are concerned with the language which we believe would, in practice, require printing on the receipt the locations that remittances can be paid out; the exemption of the Federal Reserve Bank's Directo a Mexico program from disclosure requirements; and the liability assigned to the remittance transfer provider for discrepancies in translation between the English version and any other version of the receipt.

We are also concerned that the effect of the amendment would be to slow down the remittance process. One provision of the manager's amendment would permit cancellation of the remittance up to 30 minutes after it has been initiated. Many money transfer organizations now have remittances available to recipients 10 minutes after they have been originated.

Finally, we have concerns regarding the amendment to the Federal Credit Union Act because it appears to be redundant with current Federal credit union authority, and may limit the ability of Federal credit unions to offer other types of international money transfers as well as the ability of the National Credit Union Administration to regulate international money transfers. We are further concerned that this language appears to apply only to Federal credit unions, and not state chartered credit unions or for-profit banks.

We have many outstanding questions regarding this section of the manager's amendment and its effect on the remittance services credit unions currently offer their members. While we hope the Committee will address these concerns during mark-up, we would be happy to work with you on these issues between now and House consideration of this legislation.

On behalf of America's credit unions as well as credit unions around the world, thank you very much for your consideration.

Sincerely,



Daniel A. Mica  
President and Chief Executive Officer  
Credit Union National Association



Pete Crear  
President and Chief Executive Officer  
World Council of Credit Unions