



Credit Union National Association

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cuna.org

January 15, 2013

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20006

Re: Electronic Fund Transfers (Regulation E); RIN 3170-AA33

Dear Ms. Jackson:

This comment letter represents the views of the Credit Union National Association (CUNA) on whether the compliance date for the international remittance transfer rules, which are required under the Dodd-Frank Wall Street Reform and Consumer Protection Act, should be extended. By way of background, CUNA is the largest credit union advocacy organization in this country, representing approximately 90% of our nation's 7,000 state and federal credit unions, which serve about 95 million members.

CUNA Commends the CFPB's Consideration of A Delayed Compliance Date

The proposal would provide a delayed effective date of the entire rule until 90 days after the agency finalizes the pending proposal on substantive issues. That proposal is designed to provide some latitude to providers, such as credit unions, regarding certain disclosures and error resolution provisions. We will be providing more detailed comments regarding those provisions in a separate letter before the comment period closes on January 30, 2013.

We commend the CFPB for considering a delayed effective date for the remittance transfers final rule, and we appreciate that the agency has addressed some of the concerns that CUNA, our International Remittances Working Group, leagues and other credit unions have raised repeatedly regarding implementation of Section 1073 of the Dodd-Frank Act on international remittance transfers.



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Ample Compliance Time Is Essential, Since Many Credit Unions Must Rely on Third Parties

CUNA is currently conducting a follow-up, international remittance transfers survey with our members. Based on preliminary results, over 40% of our members who responded estimate that they will need about 12 months to implement the required changes. As the agency knows, credit unions provide international remittance transfers to their members as one of many services they offer and are not in business solely to provide remittance transfers.

For example, credit unions will need additional time to develop new disclosures, make changes related to messaging, settlement, and payment systems, such as the ACH network and SWIFT, and to evaluate and possibly amend operating rules, message formats, contracts, and participant agreements, as discussed in our previous comment letters submitted in response to the agency's remittance proposals.

Moreover, a number of credit unions that provide international remittance services work with third-party providers and correspondent institutions. While credit unions are urging vendors to make changes to their systems to ensure credit unions will be able to comply on a timely basis, credit unions have no control over such parties.

As one of our members noted this week, "we are dependent on two vendors – who are both awaiting the final rule before finalizing their processes and software solutions."

Credit unions will need sufficient time to test current and upcoming changes from their vendors and third-party providers on the remittance disclosures, which will be delayed until vendors can provide the support necessary for credit union compliance.

Congress Did Not Impose A Set Deadline for Compliance with the Remittance Rule

The CFPB has considerable latitude in determining when compliance with the international remittance rule should begin, since Congress did not mandate a deadline for this purpose. While we support at least a 90-day delay in the compliance date, we urge the agency to utilize its statutory discretion, as the agency empowered to regulate in this area, and postpone the effective date of the final rule for at least 12 months. This approach will help facilitate compliance for credit unions, particularly those who work with vendors, while minimizing regulatory burdens on credit unions.

Thank you for consideration of our concerns and of credit unions' need for sufficient time to comply with the regulation. If you have any questions about our letter, please do not hesitate to contact CUNA's Regulatory Research Counsel Dennis Tsang or me at (202) 508-6736.

Sincerely,

A handwritten signature in cursive script that reads "Mary Mitchell Dunn".

Mary Mitchell Dunn
CUNA Senior Vice President and Deputy General Counsel

Cc: Small Business Administration Office of Advocacy