



Jim Nussle
President & CEO

Phone: 202-508-6745
jnussle@cuna.coop

99 M Street SE
Suite 300
Washington, DC 20003-3799

March 12, 2020

The Honorable Kathy Kraninger
Director
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Director Kraninger:

On behalf of the Credit Union National Association (CUNA), I am writing to recommend the Consumer Financial Protection Bureau (CFPB or Bureau) quickly finalize its proposal amending the Remittance Rule and to exercise its authority to permit compliance flexibility for remittances sent to individuals in countries affected by the growing public health concern surrounding coronavirus disease (COVID-19). CUNA represents America's state and federal credit unions and their 115 million members.

The CFPB's Remittance Rule, issued in 2012, put in place enhanced consumer protections for certain covered international remittance transfers.¹ The rule includes a "normal course of business" safe harbor exempting entities that conduct 100 or fewer remittance transfers in each of the prior and the current calendar years. The purpose of the safe harbor is to ease compliance costs on providers that offer remittance services merely as a convenience. On December 6, 2019, the Bureau published a proposed rule that would increase the "normal course of business" safe harbor threshold from 100 to 500 transfers annually.² As you announced in your remarks last month during CUNA's Government Affairs Conference, the Bureau intends to finalize this proposal in May 2020.³

We appreciate the Bureau's focus on appropriately tailoring the remittance rule and the rulemaking's high priority status, as indicated by the Bureau's already swift timeline. That said, in light of the growing global public health crisis surrounding COVID-19, CUNA respectfully recommends the Bureau further expedite the issuance of its final rule and take action to exclude from the rule's requirements remittance transfers made to individuals in countries affected by the growing pandemic.

Under normal conditions, remittance transfers serve as a critical financial lifeline for a transferor's family and links abroad as well as the economies of developing countries around the world. In fact, the total funds sent through remittance transfers from U.S. Consumers rivals the amount of non-military foreign aid sent from the U.S. Government to developing nations.⁴ Due to the person-to-person nature of remittance transfers, the recipients often use these transferred funds to go about their everyday life, such as to purchase necessary goods, food, services, and even medical care. The importance of this lifeline can often be amplified in times of global economic downturn, natural disaster, and pandemic.

¹ Electronic Fund Transfers (Regulation E), 77 Fed. Reg. 6194 (Feb. 7, 2012).

² Remittance Transfers Under the Electronic Fund Transfer Act (Regulation E), 84 Fed. Reg. 67132 (Dec. 6, 2019).

³ Remarks of CFPB Director Kathy Kraninger, Credit Union National Association Government Affairs Conference (Feb. 25, 2020) available at <https://www.consumerfinance.gov/about-us/newsroom/director-kraningers-remarks-cuna-government-affairs-conference/>.

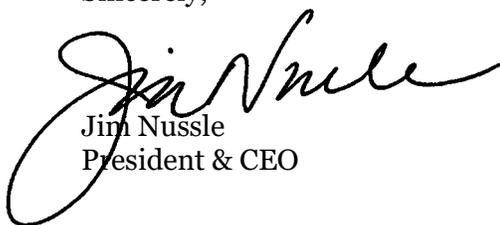
⁴ Drew Desilver, *Remittances from abroad are major economic assets for some developing countries*, Pew Research Center (Jan. 29, 2019) available at <https://www.pewresearch.org/fact-tank/2018/01/29/remittances-from-abroad-are-major-economic-assets-for-some-developing-countries/>.

While CUNA still believes the CFPB's proposed "normal course of business" threshold is too low and would be more appropriate if set to 1,000 transfers, the Bureau should move to finalize a substantially increased threshold as soon as possible. The compliance costs and challenges created by the 2012 rule had a measurable impact on the availability of remittances for consumers and the Bureau should act now to reverse these effects. The financial well-being of global communities could become dependent on the ability of consumers to transfer funds expeditiously and easily without the burden of undue red tape. The Bureau's action would ensure impacted individuals continue to have access to remittance services from their local credit union.

As member-owned, not-for-profit financial cooperatives, credit unions exist to provide credit at competitive rates and offer low-cost services—including remittances—that assist our member-owners in meeting their financial needs, especially during times of emergency. As always, credit unions stand ready to assist our members and communities and that is why we are consumers' best option in the financial services space.

On behalf of America's credit unions and their 115 million members, thank you for your consideration.

Sincerely,



Jim Nussle
President & CEO