



January 21, 2020

Office of Regulations
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Remittance Transfers Under the Electronic Fund Transfer Act (Regulation E); Docket No. CFPB-2019-0058

Dear Staff Attorney:

The Indiana Credit Union League (ICUL) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) Proposed Rule on Remittance Transfers Under the Electronic Fund Transfer Act (EFTA). The ICUL member credit unions represent 99% of assets and members of Indiana's credit unions, with those memberships totaling more than 2.6 million consumers.

The CFPB has proposed to increase the "normal course of business" safe harbor threshold from 100 to 500 transfers annually. The CFPB has also proposed the addition of two permanent exemptions: an exchange rate exemption and a third-party fees exemption, for qualifying entities to address the potential negative impacts of the expiration of the statutory "fee estimates exception" for depository institutions. Overall, we support the CFPB's proposed changes. However, we believe that higher thresholds would be appropriate while still maintaining the consumer protection intent of the remittance rule.

The current rule's "normal course of business" safe harbor threshold exempts remittance providers that process fewer than 100 transfers a year. In previous commentary, the CFPB expressed 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. While we support the CFPB's proposal to increase this threshold to 500 transfers per year, we would also encourage the CFPB to consider an even higher threshold such as 1,000 remittance transfers per year. This higher threshold would again make it more feasible for smaller- and medium-sized credit unions to offer remittances as a convenience to their members.

The Dodd-Frank Act, in amending the EFTA, included a provision that temporarily exempted insured depository institutions from the general requirement to disclose exact amounts of fees, taxes, and exchange rates. The temporary exemption was extended by the CFPB to July 21, 2020, because the CFPB determined the exemption's expiration would have a negative effect on the availability of remittances for consumers. In an effort to avoid the potential impact of the temporary exemption expiring, the CFPB is proposing the addition of two permanent exemptions: an exchange rate exemption and a third-party fees exemption. We strongly support these proposed permanent exemptions.

The exchange rate exemption permits insured institutions to estimate the exchange rate for a remittance transfer to a particular country if the designated recipient will receive funds in the country's local currency and the insured institution made 1,000 or fewer remittance transfers in the prior calendar year to that country when the designated recipients received funds in the country's local currency. The third-party fees exemption would permit insured institutions to estimate covered third-party fees for a remittance transfer to a particular designated recipient's institution if the insured institution made 500 or fewer remittance transfers to that designated recipient's institution in the prior calendar year. As stated above, we support these permanent exemptions, but again would encourage the CFPB to consider higher thresholds of 2,000 for the exchange rate exemption and 1,000 for the third-party fee exemptions. These higher thresholds would allow more institutions that are not

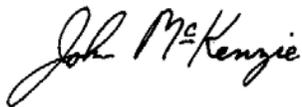
primarily remittance transfer businesses to be positioned to continue to offer remittances without incurring the higher costs (normally passed through to the consumer) that will likely result should the temporary exemptions simply expire in July.

We also would like to include some comments on a couple of items not included in the proposed rule. The Remittance Rule currently contains a provision that provides the consumer a 30-minute window to cancel a remittance transfer orally or in writing and receive a refund for the total amount of the transfer within 3 business days. We believe that this cancellation period has proven to not be necessary based on feedback that that consumers very rarely cancel a transfer once it has been initiated. We believe that the additional costs to the businesses initiating the transfer to comply with the cancellation period requirements, and the potential for changes in the currency exchange rates outweighs the potential benefits of continuing this cancellation period.

Additionally, the CFPB has stated in an earlier 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 stated that there is not currently a small institution exemption, but Regulation E 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 and we suggest using \$5 billion as the asset size cutoff for this small institution exemption.

Thank you for the opportunity to comment on the CFPB’s Proposed rule on Remittance Transfers Under the Electronic Fund Transfer Act. We appreciate the CFPB’s ongoing review of existing regulations and proposing improvements to these regulations. 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 black ink that reads "John McKenzie". The signature is written in a cursive, flowing style.

John McKenzie
President
Indiana Credit Union League