

Remittance Transfer Regulation E Subpart B

Mini Deck

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Definitions

- Remittance Transfer : An electronic fund transfer requested by a sender in the U.S to a designated recipient in a foreign country
- Remittance Transfer Provider (provider): a “person” that provides “remittance transfers” for consumers in the “normal course of business” (regardless of whether the consumer holds an account with such person)
 - Credit unions and banks
 - Money transmitters
 - Broker/dealers

Definitions

- Consumer-initiated international transfers for personal, household, or family purposes
 - Cross-border wire transfers
 - International ACH Transactions (IATs)
 - Online bill pay
 - Loads onto certain credit cards
 - Credit/debit card payments to foreign merchants are not covered
- Limited exceptions
 - Transfers of \$15 or less
 - Payments arising from securities trading

Definitions

- Normal course of business defined to be more than 100 transfers a year
 - A provider is exempt if during “normal course of business” it handles
 - 100 or fewer remittance transfers in the previous calendar year; and
 - Provides 100 or fewer remittance transfers in the current calendar year
- Does not have to hold the consumer’s account (e.g., Western Union)

Safe harbor provision

- Providers with 100 or fewer remittance transfers a year are granted safe harbor under the Rule
 - Provider exceeding the 100-transfer limit has “a reasonable time period, not to exceed six months” grace period in which to comply

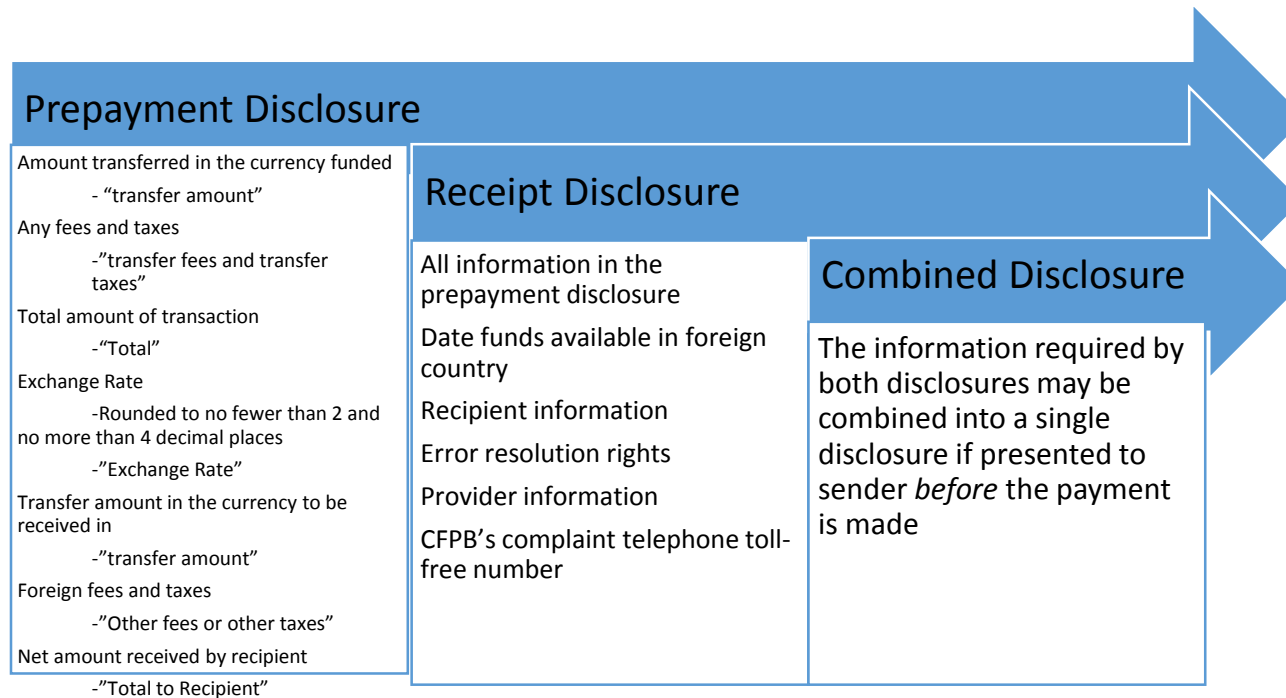
Senders and recipients

- Sender must be a consumer (“natural person”) in a State
 - Focus on the account location (for transfers made from an account)
- Recipient is a person, business, etc. located in a foreign country
 - Focus on location of recipient account (for transfers made to an account)
- May be the same consumer

Rule provides three consumer protections under Reg E

- Disclosures – Providers responsibility
 - Clear and conspicuous
 - Generally in writing
 - Retainable form
 - Prepayment disclosure
 - Receipt discloser; may be combined into single disclosure w/above
- Cancellation – Consumer’s choice
- Error resolution - Credit union’s responsibility

Disclosure requirements



Cancellation Right

- Consumer has 30 minutes to cancel a remittance transfer
 - From time of making / authorizing the transfer
- Refunds must be made in full within 3 days

Error Resolution

- Sender has 180 days to report error(s)
- Error types include:
 - Amount
 - Delay
 - Documentation
- Investigate and resolve within 90 days
- Correct the error within 1 business day
- Report results including notice of remedies within 3 business days after completing investigation

Policies, Procedures & Retention

- Must develop and maintain written policies and procedures to ensure compliance
- Record retention is 2 years

