

Big Win for Consumers

January 23, 2012

CFPB Issues Final Remittance Rule

As most of our readers know, Appleseed has long fought for fairness for those sending money abroad. And just before 6 pm last Friday, we scored a major victory when the Consumer Financial Protection Bureau (CFPB) issued its first major rule, greatly increasing fairness towards consumers.

The rule will for the first time require that consumers be told, up front, how much money will be received when they send money abroad. It also provides remedies for remittance senders when transactions go awry.

Internationally, the remittance industry is a \$419-billion-a-year industry, and we expect the CFPB's rule to make the remittance industry fairer around the world.

More remittances are sent from the U.S. than from any other country, and Mexico is the largest recipient country of U.S. remittances. Remittances dwarf both charitable and government aid to developing countries.

"This new rule is a pathbreaking reform for consumers," said Annette LoVoi, Appleseed's Director of Financial Access and Asset Building.

"Congratulations to the CFPB for getting this rule published on schedule."

"Under the new rule, consumers will not only receive a disclosure before they enter into the transaction. They will also receive a receipt specifying exactly how much is to be received and when the money will be available. This will make it possible for consumers to identify errors or problems if the amount promised is not delivered or if the money is not available on time," said LoVoi.

"Appleseed has long been interested in finding ways to help vulnerable immigrants get into the financial mainstream to build assets," said Betsy Cavendish, Appleseed's Executive Director. "Treating them fairly starts with telling them how much money it costs to send money to home countries.

"We see a win-win for companies and consumers here," Cavendish said.

"Companies can win by treating consumers fairly and respectfully. Part of that respect means empowering consumers to shop for the best deal and to correct any problems that arise.

"Companies in the U.S. that help consumers send money abroad will also take responsibility for their agents overseas. This is critical, since consumers have little way of reaching overseas agents when unexpected fees are tacked on or the money is not delivered. Appleseed will continue our work on remittances to ensure that people who send remittances are treated fairly."

[Click here for Appleseed's research on remittances.](#)

[Click here for the CFPB's press release.](#)

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