June 6, 2014

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC20552

Re: Extension of the Temporary Exception for Certain Disclosures under the Remittance Transfer Rule; Docket No. CFPB-2014-0008, RIN 3170-AA45

Dear Ms. Jackson,

The Financial Information Forum (FIF)\(^1\) would like to take this opportunity to comment on the Consumer Financial Protection Bureau (CFPB) filing regarding an extension of the temporary exception for certain disclosures under the Remittance Transfer Rule (“Proposed Rule”). The FIF Remittance Transfer Working Group (“FIF”) is made up of broker-dealers who provide remittance transfer services. As noted in the filing the temporary exemption does not apply to broker dealers. However, SEC staff has issued a no-action letter stating that it will not recommend enforcement action under Regulation E against broker-dealers that provide disclosures consistent with the requirements of the temporary exception.\(^2\)

Much like insured institutions, broker-dealers face similar issues associated with wire transfers over open networks including the inability to obtain accurate fee information. It should also be noted that broker dealers often rely on insured institutions, acting as a service provider, to help broker-dealers process international wire transfers for their brokerage clients. As indicated in the Proposed Rule, there are instances where insured institutions are relying on the temporary exemption. Additionally, FIF members indicate that in some circumstances they are relying on the SEC no-action relief based on the temporary exception. Thus, FIF recommends extending the temporary exemption for insured depository institutions or credit unions. Consistent with CFPB findings, FIF believes that extending the temporary exemption for insured institutions would allow broker-dealers to continue their reliance on the SEC no-action relief granted in December 2012 so that they may continue to offer remittance transfer services to their clients.

Additionally, FIF would like to comment on other aspects of the Proposed Rule as follows:

- Application of the Remittance Rule to transfers to and from locations on U.S. military installations abroad may introduce operational complexity. For some firms, it is unclear how these locations could be classified as U.S. accounts. For those firms, there may be difficulty in determining whether a customer is associated with a US military or government installation abroad in a consistent manner.

\(^1\) FIF (\url{www.fif.com}) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

• FIF supports the clarification in proposed comment 31(a)(3)-2 regarding treating an initial communication made in writing or electronically as an inquiry followed by a transaction conducted orally. This is a supported business process.

• FIF supports the clarifications to the error resolution provisions related to delays and remedies.

• FIF notes that in circumstances where firms rely on OUR charge processes, FIF members have found the process to work well and believe that it is beneficial to clients in that remittance transfer amounts are not impacted. FIF members have built operational workflows around the OUR charge process and would expect to continue operating in this manner on an ongoing basis.

Finally, FIF would like to share feedback received from clients with respect to required disclosures. Clients, specifically repeat senders, have expressed dissatisfaction with the requirement that the full disclosure be reviewed each time when providing oral disclosures prior to completing a wire transfer. FIF respectfully requests that the CFPB consider addressing client concerns by allowing a modified transaction-specific disclosure for repeat senders. Potential alternatives to reviewing the full disclosure include permitting shorter disclosures for clients who have written instructions on file or who attest to their knowledge and understanding of the full disclosures previously provided.

FIF appreciates the opportunity to comment on the Proposed Rule and would welcome further discussions with the CFPB to provide a broker-dealer perspective on Regulation E.

Regards,

Manisha Kimmel
Managing Director
Financial Information Forum

cc: Mark Attar, Branch Chief, Division of Trading and Markets, Securities and Exchange Commission
Lourdes Gonzalez, Assistant Chief Counsel – Sales Practices, Division of Trading and Markets, Securities and Exchange Commission
Lindsay Kidwell, Attorney-Advisor, Division of Trading and Markets, Securities and Exchange Commission