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# United States Senate

WASHINGTON, DC 20510-1103

July 27, 2011

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Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Re: Docket No. R-1419 and RIN 7100-AD76

Dear Ms. Johnson:

As the author of Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, 124 Stat. 1376 (2010)), I want to thank the Board for its work to develop a proposed rule to implement these important consumer protection reforms for individuals who send remittance transfers.

The intent of Section 1073 is to address a gap in consumer rights and protections for individuals sending remittance transfers abroad. Timely, meaningful, and effective disclosure of the amount to be received by the designated recipient, fees to be charged by the remittance transfer provider, and the exchange rate to be used will significantly improve the ability of consumers to make informed decisions when choosing to send a remittance transfer. In addition, a new error resolution process will ensure that a consumer is protected against errors made with respect to a remittance transfer.

The statute also recognizes the potential for increased utilization of basic consumer products and services of mainstream financial institutions and for increased access to credit opportunities among remittance transfer senders. Regular utilization of remittance transfer provider services can build familiarity with and confidence in a financial institution and other basic financial products and services. It may also be a predictor or indicator of credit worthiness. Acknowledging the important role that mainstream banks and credit unions may play in the empowerment of underserved consumers, Section 1073 provides a temporary exception from the new disclosure requirements to better enable financial institutions to overcome challenges that they may encounter in their efforts to comply with the statute.

As you know, insured depository institutions and insured credit unions often use open networks for their remittance transfer transactions. The unique features and constraints of these open-ended systems may make timely implementation of this rule more difficult for such providers, and I appreciate the Board's proposal, in accordance with the statute, to implement a temporary exception for five years for these financial institutions. In order to maintain and expand access to remittance and other financial services through mainstream financial institutions, I urge you to continue to be mindful of this issue as you finalize this rule and note your authority to extend this temporary exception if necessary.

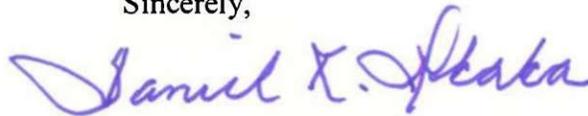
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Section 1073 also requires the Board to issue final rules regarding appropriate remittance transfer cancellation and refund policies. The right to cancellation should be established in a manner that recognizes the importance of timely execution for many remittance transfer transactions. The proposed rule would provide consumers with the right to cancel within one business day of the transaction. In finalizing this rule, I urge the Board to anticipate future efforts of remittance transfer providers to comply with the right of cancellation rule and to consider its impact on consumers' expectation of and demand for timely execution of remittance transactions.

Last, Section 1073 includes a provision intended to eliminate foreign language barriers to consumer education and protection by requiring transaction disclosures in various foreign languages. The Board is correct in understanding that the term "principally used" is not limited to a single foreign language that is used by a remittance transfer provider to advertise, solicit, or market. I also commend the Board for proposing to extend the foreign language disclosure requirements under Section 1073 to electronic advertising, soliciting, and marketing. I encourage the Board to develop a strong final rule that ensures non- and limited-English speaking consumers have access to meaningful remittance transaction disclosures.

Once again, I want to thank the Board for its work in developing this proposed rule. I look forward to continuing to work with you to implement the remittance transfer provisions of the Dodd-Frank Act in a manner that provides greater financial protection and access to consumers.

Sincerely,



DANIEL K. AKAKA  
U.S. Senator