

May 9, 2025

Via Electronic Submission

Comment Intake
Bureau of Consumer Financial Protection
Attention: PRA Office
1700 G Street NW
Washington, DC 20552

RE: Docket No. CFPB-2025-0009 — Notice and Request for Comment Regarding the Electronic Fund Transfer Act (Regulation E)

Dear Sir or Madam:

The Independent Community Bankers of America (“ICBA”)¹ appreciates the opportunity to respond to the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) request for comment (“RFC”) regarding its Paperwork Reduction Act (“PRA”) review. Specifically, the RFC concerns the information collection requirements under the Electronic Fund Transfer Act (“EFTA”) and its implementing regulation, Regulation E, as well as potential approaches for reducing the associated burden of this information collection on respondents.

Regulation E requires accurate disclosure of the costs, terms, and rights relating to electronic fund transfer (“EFT”) services and remittance transfer services to consumers. Financial institutions and other entities offering EFT services must provide consumers with information regarding their rights and responsibilities in connection with EFT services. The regulation also establishes error resolution procedures and limits consumer liability for unauthorized transfers; imposes disclosure and other requirements on issuers of gift cards, gift certificates, and prepaid cards; establishes protections for consumers who use prepaid accounts; and regulates overdraft credit features offered in connection with prepaid accounts.

For purposes of this RFC, ICBA will focus on the Regulation E requirements pertaining to the remittance transfer rule.

¹*The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation’s community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America’s community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers’ financial goals and dreams. For more information, visit ICBA’s website at icba.org.*

Changes to the Remittance Transfer Rule

On June 5, 2020, the CFPB issued a final rule² amending Regulation E, which implements the EFTA, and the accompanying official interpretation to Regulation E. The amendments updated the rules governing remittance transfer providers, as required by section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), and increased the annual compliance threshold to 500 transfers.³ The Dodd-Frank Act requires remittance transfer providers to provide disclosures to consumers before they initiate international funds transfers. Specifically, remittance transfer providers must give senders a written prepayment disclosure pertaining to the sender’s remittance transfer as well as a written receipt that includes both the information on the prepayment disclosure and additional specified information. As amended, Regulation E establishes specific error resolution procedures, cancellation and refund policies, and liability standards for remittance transfer providers, including those acting through agents. The compliance burden imposed by the remittance rule has resulted in a significant number of community banks abandoning this service.

ICBA offers the following recommendations to help minimize the information collection burden on respondents:

- Increase the “normal course of business” safe harbor threshold to 1,200 remittances annually and/or exempt small financial institutions from the rule altogether.
- Modify the definition of “remittance transfer”⁴ to provide an exemption for transfers under the amount of \$1,000, an adjustment from the current \$15.
- Reduce the time for filing complaints from 180 days to 90 days. The 180-day requirement goes beyond what is currently required under Subpart A of Regulation E, which dictates the time in which a consumer must assert an error. See 1005.6(b)(3).
- Eliminate the 30-minute cancellation requirement. This requirement currently hinders the process as most providers delay transmittal by 30 minutes.

Conclusion

ICBA appreciates the opportunity to provide comments to the CFPB on ways to reduce paperwork. Community banking can thrive with minor changes to remittance rules thresholds. If you have any questions regarding this letter, please contact kari.mitchum@icba.org or 202.659.8111.

Sincerely,
Kari Neckel Mitchum
Vice President, Payments Policy

² Remittance Transfers Under the Electronic Fund Transfer Act (Regulation E), 85 Fed. Reg. 34,870 (June 5, 2020) (to be codified at 12 C.F.R. pt. 1005).

³ Remittance Transfers, 85 Fed. Reg. at 34,870.

⁴ The current definition of “remittance transfer” is \$15. Subpart B of Regulation E (See 1005.30(e)(2)(1)).