

# SELFRELIANCE FEDERAL CREDIT UNION INTERNATIONAL REMITTANCE TRANSFERS

April, 2019

Selfreliance Federal Credit Union (SFCU) provides international remittance transfers (IRT) as a service to its members. The purpose of this policy is to ensure that IRTs meet the regulatory requirements of Regulation E and the rules published by the Consumer Financial Protection Bureau (CFPB).

**INTERNATIONAL REMITTANCE TRANSFERS.** International Remittance Transfers (IRT) are electronic transfers of funds that are more than \$15 requested by consumers in the United States, and sent to people or companies in foreign countries. SFCU will only comply with the International Remittance Transfer (IRT) requirements if SFCU provided 100 or more IRTs (including wires and all other electronic transactions) in the previous calendar year, and has provided 100 or more remittance transfers in the current calendar year. SFCU will monitor IRT transactions to ensure they comply with Regulation E requirements in the event they are exempt from the rule and perform IRTs that would qualify them for compliance with the regulation.

**DISCLOSURES.** SFCU will provide appropriate disclosures to members who send IRTs:

1. Pre-Payment Disclosure. The pre-payment disclosure will be given to the member before he or she pays for the remittance transfer. This disclosure will list the amount of money to be transferred, the exchange rate, certain fees including those collected by the provider, taxes collected by the provider (if any), and the amount of money expected to be delivered abroad, not including certain recipient institution fees or foreign taxes.
2. Receipt. SFCU will provide a receipt when payment is made. The receipt will repeat the information in the pre-payment disclosure. The receipt must also disclose to the member the transfer date, date when the money will arrive, name of the recipient, error resolution/cancellation rights, credit union contact information, regulator contact information, and CFPB contact information. (If the pre-payment disclosure is inaccurate, a corrected disclosure must be provided.)
3. Combined Disclosure. SFCU may provide members with a combined disclosure. The combined disclosure will be provided when the member requests the transfer, but before the member pays for the transfer. If SFCU provides a combined disclosure, the member must also be given proof of payment when payment is made which will be clear and conspicuous, retainable, and may be provided in writing or electronically.
4. Language. SFCU advertises and markets remittance transfer services in English, therefore, disclosures must always be made in English.

**ESTIMATES.** SFCU may disclose *estimated* amounts until July 21, 2020 if the exact amounts cannot be determined beyond our control; SFCU is an insured institution; and the IRT is sent from the member's account with SFCU.

Estimates may be provided for transfers to certain countries if SFCU cannot determine the exact amounts when the disclosure is required and the country where the transfer will be received is on the list of safe harbor countries published by the CFPB.

Estimates for IRTs scheduled before the date of transfer may be disclosed if the remittance transfer is scheduled by a member five or more business days before the date of the transfer and meets the requirements outlined in this policy under Preauthorized IRTs. In addition, if, at the time the member schedules such a transfer, SFCU agrees to a member's request to fix the amount to be transferred in the currency in which the remittance transfer will be received and not the currency in which it is funded.

Estimates are allowed of the applicable exchange rate, transfer amount in the designated recipient's currency, other back-end fees (i.e., covered third-party fees) and the total to the recipient. Other information, such as the transfer amount in the sender's currency, front-end fees and taxes (if applicable), and total amount of the transaction, must always be the exact amounts.

**CANCELLATION.** Except for transfers scheduled before the date of transfer, SFCU will allow a member to cancel an IRT for up to 30 minutes after he or she pays for the transaction, as long as the funds have not yet been picked up or deposited and the sender provides specified recipient contact information and enough information for you to identify the transaction.

## **PREAUTHORIZED INTERNATIONAL REMITTANCE TRANSFERS.**

- For a one-time transfer scheduled five or more business days before the date of transfer or for the first in a series of preauthorized IRTs, SFCU will provide the prepayment disclosure and receipt disclosure when the member requests the transfer, but before the member pays for the transfer.
- If the disclosure(s) is provided and payment is not processed by SFCU at the time the IRT is scheduled, SFCU will provide confirmation that the transaction has been scheduled in lieu of the proof of payment. The confirmation of scheduling must be clear and conspicuous, provided in writing or electronically, and provided in a retainable form.
- If any of the disclosures provided contain estimates, SFCU will mail or deliver to the member an additional receipt meeting the requirements described in §1005.31(d) no later than one business day after the date of the transfer.
- If the transfer involves the transfer of funds from the member's account at SFCU, the receipt required may be provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided (savings accounts only).

## **ERROR RESOLUTIONS.** An error for IRTs includes:

- An incorrect amount paid by a member in connection with the remittance transfer, such as being charged more than the total shown on the receipt;
- A computational or bookkeeping error made by SFCU relating to the remittance transfer, such as miscalculating the amount the recipient will receive;
- Failure to make available to a designated recipient the amount of currency disclosed to the member, unless:
  - The disclosure stated an estimate and the difference results from application of the actual exchange rate, fees, and taxes, rather than any estimated amounts,
  - The failure resulted from extraordinary circumstances outside the provider's control that could not have been reasonably anticipated; or
  - The difference results from the application of non-covered third-party fees or taxes collected on the remittance transfer by a person other than the provider and the provider provided the required disclosure.
- Failure to make funds available by the disclosed date of availability (including the non-delivery of funds), unless the failure resulted from:
  - The extraordinary circumstances noted above;
  - Delays due to fraud screenings or BSA, OFAC, or similar laws;
  - The transfer being made with fraudulent intent by the sender or any person acting in concert with the sender (e.g., "friendly fraud"); or
  - The sender having provided an incorrect account number or recipient institution identifier.

The Sender must notify SFCU about an error no later than 180 days after the disclosed date of availability of the transfer stating the sender's name and contact information, the recipient's name, and the remittance transfer at issue and indicate why the sender believes an error exists.

If SFCU receives notice of an error, a prompt investigation must be made. SFCU must determine whether an error occurred within 90 days of receiving the notice of error.

Within 3 business days of completing the investigation, SFCU must report the results to the member, including notice of any available remedies.

- If an error occurred, SFCU can report the results orally or in writing.
- If no error has occurred, SFCU must give the member a written explanation of the results of the investigation, and notify the member that they have the right to request any documentation the credit union relied upon in making the determination. SFCU must also provide a written explanation if it is determined that an error occurred but the error is of a different type or a different amount than the error that the sender reported.

In the event that an error was made by SFCU, the following regulatory required remedies will be provided:

- If an error occurs for reasons other than a mistake made by the member, the member has two options: refund or redelivery. The refund would be made in the amount of funds that was not properly transmitted or delivered to the

designated recipient. Alternatively, the member can require redelivery of the amount appropriate to resolve the error at no additional cost to the member.

- If the funds were not available by the date of availability and the funds have not been picked up yet, the member can choose to receive a refund or request redelivery of the amount appropriate to resolve the error. These funds must be redelivered without additional cost to the member.
- Regardless of whether the refund or redelivery remedy is chosen by the member, SFCU must also refund any fees and taxes imposed on the initial transfer. This refund remedy also applies if all the funds have been picked up, but were not ready by the disclosed date of availability. This refund includes covered third-party fees and taxes charged by someone other than the remittance transfer provider (unless a tax refund is prohibited by law).
- SFCU must correct an error within one business day of receiving the member's choice of remedy, or as soon as reasonably practical.
- In situations where a member provided an incorrect account number or recipient institution identifier (such as a routing number or Business Identifier Code), SFCU may not be required to refund or resend the transfer amount if the following conditions are met:
  - SFCU can demonstrate that the member provided an incorrect number;
  - With respect to recipient institution identifiers, SFCU used reasonable means to verify the member provided the correct identifier;
  - SFCU provided notice to the member that the transfer amount could be lost;
  - The funds were deposited into the wrong account; and
  - SFCU used prompt and reasonable efforts to retrieve the funds.