

DF 1073 Remittance Transfer Rules

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Together we'll go far



DFA 1073

- **One in three American households does business with Wells Fargo**
 - **Wells Fargo is deploying significant resources to evaluate and comply with DFA 1073**
 - **Product changes will be required**
- **Products/Services impacted**
 - Wells Fargo Global Remittance Services' ExpressSend®
 - International wires– consumers
 - International wires– domestic correspondents

Key Problems

- **Error Resolution provisions**
 - **Strict liability standard for a service provider**
- **Requires exact disclosure information outside provider's control**
 - Taxes for all jurisdictions globally
 - FX
 - Fees taken from the principal by a beneficiary institution
 - Date of availability
- **Preauthorized transfer disclosures**
- **Insufficient time allotted for mandatory compliance**

Consumer Harm

- **Fraud losses will increase as fraud perpetrators learn how to “game” the new rules**
 - **Safety and soundness**
- **Some players will likely leave the market**
 - **Increased compliance costs and risks**
- **Consumer prices will likely increase**
 - **Increased compliance costs and risks; and fewer remittance providers**
- **This is an important service for U.S. consumers and their dependents overseas**

Next Steps

- **Industry concerns and suggestions for improvements to-date haven't been addressed**
 - **Regulatory perspective: industry will figure out a way**
- **Mandatory compliance by 2/7/2013 is problematic in some areas**
 - **Implementation should be delayed to permit additional product and system development**
 - **Rules should be clarified and amended where necessary in order to protect consumers**
- **CFPB should respond to Clearing House letter requesting clarifications**