

Advocacy Submits Comments on the Federal Reserve's Electronic Funds Transfer Proposal

On July 22, 2011, the Office of Advocacy of the U.S. Small Business Administration (Advocacy) submitted a comment letter to the Board of Governors of the Federal Reserve System (hereinafter, "the Board") on the Board's proposed rulemaking on *Regulation E; Docket No. R-1419 Electronic Fund Transfers*. A copy of Advocacy's comments can be found at: www.sba.gov/advocacy/816.

- The proposal implements the Dodd-Frank Wall Street Reform and Consumer Protection Act remittance transfer provisions. It contains new protections for consumers who send remittance transfers to designated recipients in a foreign country by providing consumers with disclosures and error resolution rights. The disclosures must be in English and in each of the foreign languages principally used by the remittance provider to solicit, advertise, or market transfer services at a particular office. Providers must also investigate the errors and correct the error within 90 days of notice of the error. The proposed rule will impact money transmitters and financial institutions.
- The Board prepared an initial regulatory flexibility analysis (IRFA) for the proposed rule as it applies to money transmitters. Although the Board took some steps to reduce the regulatory burden on providers in general, Advocacy expressed concern about the lack of information about compliance costs and the Board's failure to discuss alternatives.
- The Board certified that the proposed rule would not have a significant economic impact on a substantial number of small financial institutions. Advocacy expressed concern about the confusing nature of the certification and questioned whether the certification was appropriate.

For more information, visit Advocacy's webpage at www.sba.gov/advocacy or contact Jennifer Smith at 202-205-6943.