



Press Release

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FOR IMMEDIATE RELEASE

Culminating more than a decade of effort by Appleseed, a nonprofit network of public interest justice centers, consumers sending money to friends and family and abroad now have a new suite of protections put in place today by the Consumer Financial Protection Bureau (CFPB). Said Appleseed President Betsy Cavendish: “People who send money outside the country, many of whom are quite disempowered, now have new tools of empowerment available to them. They get clear disclosures up front before they send money.”

The regulations put in place by the CFPB require companies that perform money transfers (“remittance providers”) to give consumers clear information up front about the price and delivery of the transfer, as well as remedies if the transfer goes wrong. “Knowing how the new rules protect consumers is critical for those who send money abroad,” said CFPB Director Richard Cordray.

Until the new regulations took effect today, remittance transfer providers were under no federal obligation to disclose in clear language the exchange rate, fees, and taxes associated with the money transfers they offered. Since these amounts were deducted from the amount being transferred, the result could be significantly less money arriving on the receiving end than the consumer expected.

Consumers who make transfers covered by the new remittance rule will receive a number of new protections, including:

- Free, upfront information about the exchange rate, fees, and taxes they will pay
- Information on the amount to be received
- The right to cancel most transfers within thirty minutes at no cost
- 180 days to report errors to the company, the right to an investigation, and a remedy for certain types of errors

The director of financial access and asset building at Appleseed, Annette LoVoi, hailed the new protections as a victory for low-income and immigrant consumers, the primary users of such money transfer services. “These new rules help modernize the remittance industry and treat all consumers with fairness and dignity.”

A wealth of information on the new remittance transfer provider rules can be found on the CFPB’s website: <http://www.consumerfinance.gov>.

Appleseed’s work on the topic can be found at: <http://www.appleseednetwork.org/what-we-do/projects/financial-access/advancing-remittance-transparency-and-disclosure/>.

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Appleseed, a nonprofit network of 17 public justice centers in the United States and Mexico, uncovers and corrects injustices through legal, legislative, and market-based structural reform.