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**MEMORANDUM**

May 13, 2011

To Our Clients and Friends

Re: Regulation E Proposal to Address Remittance Transfers

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Federal Reserve Board has proposed amendments to Regulation E to require certain disclosures regarding remittance transfers from U.S. consumers to recipients in foreign countries. Comments are due by July 20, 2011.

The Federal Reserve's proposal applies to any person who provides remittance services, including depository institutions and money transmitters. It requires providers of remittance services to give consumers who send remittance transfers to persons in foreign countries certain disclosures about the transfers, such as the applicable exchange rate, fees and the amount of currency that the recipient will receive. The rule requires that a written receipt in a specified format be provided to senders. Providers would be required to comply with error resolution and recordkeeping procedures similar to those under Regulation E for financial institutions, as well as cancellation and refund procedures.

The proposed rule applies to "remittance transfers," which are defined as electronic transfers of funds requested by senders to designated recipients sent by remittance transfer providers. The term includes a transfer regardless of whether the sender holds an account with the provider or whether the transaction is also an electronic fund transfer. Transfers in amounts of \$15 or less are not covered by the proposal.

It is anticipated that the final rule will be issued by the Consumer Financial Protection Bureau, which is scheduled to assume responsibility for Regulation E on July 21<sup>st</sup>.

A copy of the proposed rule can be found at our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox Heidi Wicker, or Lauren Bianchini at (202) 776-0700.