



April 25, 2023

Senator Matt Claman, Chair
Senator Jesse Kiehl, Vice Chair
Senate Judiciary Committee

Dear Chairman Claman and Vice Chair Kiehl,

During Senate Judiciary Committee’s hearing on SB84 on Friday, April 21, 2023, Senator Kiehl’s last question required an offline response. Please find that information provided below. We appreciate the question and being able to provide a response to share with the committee.

S Jud Committee Hearing video recording @ 25:51

The exemption that receipt requirements do not apply to money received for money transmission and subject to a federal reference with CFPB. Can you line out for us what that covers?

Page 45, Section 48, AS 06.55.830(c)(1)

The exemption is provided in SB84 AS 06.55.830(c)(1) and the model law so that it does not duplicate what is already required in federal law.

12 CFR 1005.31 Subpart B – Requirements for Remittance Transfers regulated by the Consumer Finance Protection Bureau

The requirements under federal law for money transmission disclosures can be found here:

<https://www.consumerfinance.gov/rules-policy/regulations/1005/31/>

Examiner Fler thought it would be helpful to provide a section of our examination work program that we follow when reviewing receipts/disclosures of a licensed money transmitter.

CFPB REMITTANCE TRANSFER RULE - RECEIPT DISCLOSURE REQUIREMENTS		
39	E 17	FOR IN PERSON OR ONLINE TRANSACTIONS:
		Is the licensee in compliance with the CFPB Remittance Transfer Rule, effective 10/28/13, regarding receipt disclosure requirements? 12 CFR Subpart B Part 1005.31

	Are the following disclosures provided in writing to consumers before they pay for the remittance transfers? 1005.31(b)(1)
	a. The amount that will be transferred to the designated recipient, in the currency in which the remittance transfer is funded, using the term “Transfer Amount” or a substantially similar term; 1005.31(b)(1)(i)
	b. Fees and taxes collected on the transfer by the providers in the currency in which the remittance transfer is funded, using the terms “Transfer Fees” for fees and “Transfer Taxes” for taxes, or substantially similar terms; 1005.31(b)(1)(ii)
	c. The total amount of the transaction, which is the sum of 1005.31(b)(1)(i) and (ii), in the currency in which the remittance transfer is funded, using the term “Total” or a substantially similar term; 1005.31(b)(1)(iii)
	d. The exchange rate, using the term “Exchange Rate” or a substantially similar term; 1005.31(b)(1)(iv)
	e. The amount in (b)(1)(i), in the currency in which the funds will be received by the designated recipient, but only if covered third-party fees are imposed under 1005.31(b)(1)(vi), using the term “Transfer Amount” or a substantially similar term; 1005.31(b)(1)(v)
	f. Fees charged by the company’s agents abroad and intermediary institutions, in the currency in which the funds will be received by the designated recipient, using the term “Other Fees,” or a substantially similar term; 1005.31(b)(1)(vi)
	g. The amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term “Total to Recipient” or a substantially similar term; and 1005.31(b)(1)(vii)
	h. If appropriate, a disclaimer that additional third party fees and foreign taxes may apply and result in the designated recipient receiving less than the amount disclosed pursuant to 1005.31(b)(1)(vii). 1005.31(b)(1)(viii)
	Are consumers also provided with a receipt with the following information? 1005.31(b)(2)
	a. All information disclosed in the pre-payment disclosure (1005.31(b)(1)(i)-(vii)); 1005.31(b)(2)(i)

		b. The date in the foreign country on which funds will be available to the designated recipient, using the term “Date Available” or a substantially similar term; 1005.31(b)(2)(ii)
		c. The name and, if provided by the sender, the telephone number and/or address of the designated recipient, using the term “Recipient” or a substantially similar term; 1005.31(b)(2)(iii)
		d. A statement about the rights of the sender regarding the resolution of errors and cancellation. (Notice of right to dispute errors by contacting licensee within 180 days [provide telephone number or website]. Notice that may cancel for a full refund within 30 minutes of payment, unless the funds have been picked up or deposited. Notice of name and contact information of provider for questions or complaints.) 1005.31(b)(2)(iv)
		e. The name, telephone number(s), and website of the remittance transfer provider; and 1005.31(b)(2)(v)
		f. A statement that the sender can contact the Consumer Financial Protection Bureau (CFPB) and, if applicable, the state agency that licenses or charters the remittance transfer provider with respect to the remittance transfer and for questions or complaints about the remittance transfer provider, as well as their telephone number(s), and website addresses. 1005.31(b)(2)(vi)
		g. For any remittance transfer scheduled by the sender at least three business days before the date of the transfer, or the first transfer in a series of preauthorized transfers, the date the transfer provider will make or made the transfer, using the term “Transfer Date,” or a substantially similar term. 1005.31(b)(2)(vii)
		If a combined disclosure is provided, does it contain all the information required for the pre-payment disclosure and receipt disclosure as described above? Is written or electronic proof of payment provided after payment is made for each transaction? 1005.31(b)(3)(i)
		Are written and electronic disclosures clear and conspicuous (1005.31(a)(1)) and made in a retainable form (1005.31(a)(2))?
		FOR ORAL TELEPHONE TRANSACTIONS:
		Are the following disclosures provided orally to consumers before they pay for the remittance transfers? 1005.31(a)(3) and 1005.31(b)(1) (same requirements as stated above)
		Is the licensee in compliance with the requirements of 1005.31(g)(2) , Foreign Language Disclosures?

		<p>Does the licensee disclose orally a statement about the rights of the sender regarding cancellation required by 1005.31(b)(2)(iv) (cancellation rights required on receipt disclosures) pursuant to the timing requirements of 1005.31(e)1?</p>
		<p>Does the licensee disclose orally, as each is applicable, the information required by 1005.31(b)(2)(vii) ("Transfer Date" required on receipt disclosures for transfers scheduled by the sender at least three days before the date of the transfer, or for the first transfer in a series of preauthorized remittance transfers) and the information required by §1005.36(d)(1)(i)(A), with respect to transfers subject to §1005.36(d)(2)(ii), pursuant to the timing requirements in paragraph (e)(1) of this section?</p>

A link to Regulation E, the entire Remittance Rule, 12 CFR Part 1005 Subpart B is provided: <https://www.consumerfinance.gov/rules-policy/regulations/1005/1/>

Please let us know if you have further questions or would like to meet to discuss this in detail.

Sincerely,

/s/ Robert H. Schmidt

Robert H. Schmidt
Director