January 15, 2013

Via Electronic Delivery

Monica Jackson, Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street NW, Washington, DC 20552

Re: Docket No. CFPB-2012-0050 and RIN 3170-AA33; Proposed Delay of Effective Date of Remittance Transfer Rules

Dear Ms. Jackson:

The Clearing House Association L.L.C., the American Bankers Association, the Consumer Bankers Association, The Financial Services Roundtable, the Independent Community Bankers of America, NACHA – The Electronic Payments Association, and the National Association of Federal Credit Unions (collectively, the "Associations")[1] respectfully submit to the Bureau of Consumer Financial Protection ("the Bureau") this comment letter regarding the Bureau's proposal to temporarily delay the effective date of the rules issued to implement Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Final Rule").[2]

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[1] Information regarding each of the Associations is provided in Appendix A to this comment letter.

[2] On February 7, 2012, the Bureau issued a final rule to implement Section 1073 of the Dodd-Frank Act, which amended the Electronic Fund Transfer Act to create new requirements regarding "remittance transfers" ("February Final Rule"). Electronic Fund Transfers (Regulation E), 77 Fed. Reg. 6194 (Feb. 7, 2012). On August 20, 2012, the Bureau issued a supplemental rule that modified certain aspects of the February Final Rule ("August Final Rule"). Electronic Fund Transfers (Regulation E), 77 Fed. Reg. 50244 (Aug. 20, 2012). The February Final Rule and the August Final Rule are referred to collectively herein as the "Final Rule."

The Final Rule is scheduled to take effect on February 7, 2013. However, on December 31, 2012, the Bureau published in the *Federal Register* a proposed rule that would revise certain aspects of the Final Rule ("December Proposed Rule").[3] In light of the proposed changes, the December Proposed Rule would temporarily delay the effective date of the Final Rule ("Temporary Delay"). The new final rule will establish a new effective date, which is currently proposed to be 90 days after the December Proposed Rule is finalized.[4]

We believe that the Temporary Delay is essential while the Bureau considers potential amendments to the Final Rule. The changes that remittance transfer providers must make to their systems and processes in order to comply with the rule are complex and time intensive, and we agree with the Bureau's statement that "regardless of how or whether the Final Rule is changed, remittance transfer providers' preparations for its implementation may be affected until the Bureau finalizes the rule."[5] Accordingly, the Associations support the Temporary Delay.

In addition, once the Bureau acts upon the December Proposed Rule and issues the new final rule, the Associations urge the Bureau to allow the industry the time needed for an orderly transition. Our members are committed to quality service for our customers. Delivering an outstanding customer experience demands the investment of time and money in testing and retesting systems, documents, associate training, and a myriad other tasks, all of which our members intend to do. Although we are still in conversations with our member institutions regarding the impact of the December Proposed Rule, we have heard concerns that, depending on the requirements of the final rule, the proposed 90 day period may not be sufficient to allow remittance transfer providers to develop, implement and test changes in accordance with their compliance and risk management programs. We are working to gather more information from our members and analyze the December Proposed Rule further, and intend to provide greater detail on this issue in a subsequent comment letter pertaining to the substantive aspects of the December Proposed Rule.

The Associations thank the Bureau for its consideration of the concerns that have been raised regarding the Final Rule. If left unchanged, the Final Rule will, we believe, create significant compliance challenges for financial institutions and have negative consequences for consumers, as some financial institutions may decide to exit the remittance transfer market or limit the remittance transfer services that they offer, which would decrease competition among remittance transfer providers and reduce consumer choice. Hence, we support and value the Bureau's efforts to address the concerns that have been raised by financial institutions and others in the remittance transfer industry.

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[3] Electronic Fund Transfers (Regulation E), 77 Fed. Reg. 77188 (Dec. 31, 2012).

[4] Comments on this proposed 90 day period and all other aspects of the December Proposed Rule have been requested by January 30, 2013.

[5] 77 Fed. Reg. 77188 , 77203.

Thank you for your consideration and review of this letter. If you have any questions or wish to discuss this letter, please do not hesitate to contact any of the undersigned.

Yours very truly,

The Clearing House Association, LLC

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Appendix A – Association Descriptions

The Clearing House

Established in 1853, The Clearing House is the nation's oldest payments company and banking association. The Clearing House is owned by 21 of the largest commercial banks in America, which employ 1.4 million people domestically and hold more than half of all U.S. deposits. The Payments Company within The Clearing House clears and settles approximately $2 trillion daily, representing nearly half of the U.S. volume of ACH, wire and check image transactions. The Clearing House Association is a nonpartisan advocacy organization within The Clearing House that represents, through regulatory comment letters, amicus briefs and white papers, the interests of its owner banks on a variety of systemically important bank policy issues.

American Bankers Association

The American Bankers Association represents banks of all sizes and charters and is the voice for the nation's $13 trillion banking industry and its two million employees. The majority of ABA's members are banks with less than $165 million in assets.

Consumer Bankers Association

The Consumer Bankers Association ("CBA") is the only national financial trade group focused exclusively on retail banking and personal financial services — banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation on retail banking issues. CBA members include the nation's largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the industry's total assets.

Independent Community Bankers of America

The Independent Community Bankers of America, the nation's voice for more than 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

With nearly 5,000 members, representing more than 24,000 locations nationwide and employing 300,000 Americans, ICBA members hold $1.2 trillion in assets, $1 trillion in deposits, and $750 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

The Financial Services Roundtable

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for $98.4 trillion in managed assets, $1.1 trillion in revenue, and 2.4 million jobs.

NACHA – The Electronic Payments Association

NACHA manages the development, administration, and governance of the ACH Network, the backbone for the electronic movement of money and data. The ACH Network serves as a safe, secure, reliable network for direct consumer, business, and government payments, and annually facilitates billions of payments such as Direct Deposit and Direct Payment. Utilized by all types of financial institutions, the ACH Network is governed by the NACHA Operating Rules, a set of fair and equitable rules that guide risk management and create certainty for all participants. As a not-for-profit association, NACHA represents over 10,000 financial institutions via 17 regional payments associations and direct membership. Through its industry councils and forums, NACHA brings together payments system stakeholders to enable innovation that strengthens the industry with creative payment solutions. To learn more, visit www.nacha.org, www.electronicpayments.org, and www.payitgreen.org.

National Association of Federal Credit Unions

The National Association of Federal Credit Unions exclusively represents the interests of federal credit unions before the federal government. NAFCU represents nearly 800 federal credit unions, accounting for 63.9 percent of total FCU assets and 58 percent of all FCU member-owners. NAFCU represents many smaller credit unions with limited operations as well as many of the largest and most sophisticated credit unions in the nation, including 82 out of the 100 largest FCUs. Learn more at www.nafcu.org.