

Practice Update

CFPB Provides Additional COVID-19 Guidance Regarding Remittance Transfers

June 17, 2020

By [Eric I. Goldberg](#), [William P. Heller](#), and [Thomas J. Kearney](#)

On June 2, 2020, the Consumer Financial Protection Bureau (CFPB) provided additional guidance to remittance transfer providers regarding the Remittance Rule, subpart of Regulation E. The guidance addresses delays providers may experience in delivering remittance transfers due to government closures of remittance businesses due to the pandemic. For example, a government closure could make it impossible for a provider to deliver funds to a local agent for pickup by the recipient.

The Remittance Rule requires providers to disclose the date funds will be made available to the designated recipient. 12 C.F.R. § 1005.31(b)(2)(ii). A provider's failure to deliver funds by this date is an error unless the failure resulted from extraordinary circumstances outside the provider's control that the provider could not have reasonably anticipated. 12 C.F.R. § 1005.33(a)(1)(iii)(B).

In its guidance, the Bureau addressed two potential scenarios involving virus-related government closures. First, if the government closure is announced after the date the provider delivers disclosures to the sender, then the closure could not have been reasonably anticipated and the exception for "extraordinary circumstances" noted above would apply. Second and conversely, if the government closure is announced before the

Related People

Eric I. Goldberg
William P. Heller
Thomas J. Kearney

Related Work

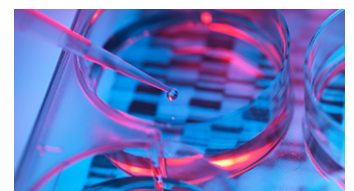
Consumer Financial
Services, Data and
Technology (CFS+)
Financial Services

Related Offices

Fort Lauderdale
Washington, D.C.

Coronavirus Resource Center

[Visit the Resource
Center](#)



provider delivers the disclosures, then the closure could have been reasonably anticipated and the “extraordinary circumstances” exception would not apply and any resulting delay would be an error.

We addressed the CFPB’s earlier COVID-19 guidance about the Remittance Rule [here](#). Additional resources are available in our [Coronavirus Resource Center](#).

This information is intended to inform firm clients and friends about legal developments, including recent decisions of various courts and administrative bodies. Nothing in this Practice Update should be construed as legal advice or a legal opinion, and readers should not act upon the information contained in this Practice Update without seeking the advice of legal counsel. Prior results do not guarantee a similar outcome.