

The ABCs of Regulation E

by [Steve Brown](#)

Kids learn to recite their ABCs from an early age. They learn in school, from watching Sesame Street and from Mom and Dad. The alphabet is taught so kids can learn to read and spell and letters are the building block of words. As a result of this training, when those kids grow up and end up working in compliance departments at community banks, they can remember how to keep regulations in order. Alphabetical order has been around since the 1st millennium BC and was used by scholars in ancient Alexandria. In 1604, one finds the first English dictionary to reference alphabetical order. In that dictionary, the author noted in Shakespearean English: "Nowe if the word, which thou art desirous to finde, begin with "a", then looke in the beginning..."

Today we looke at the 5th letter of our alphabet, namely, the letter E, as we talk about Regulation E (Reg E). It is the object of our focus because the requirement to have your bank's compliance blocks stacked nicely and put away is only 60 days away - October 28. To make sure banks are prepared, PCBB has been conducting webinars to help educate bankers on the subject and walk you through a complete solution. Numerous bankers attended one this past week so we added more dates for next week for those who could not attend.

Specifically, Reg E is applicable to banks (and others) that send international consumer payments. The rule covers remittance transfers, defined as electronic transfers of funds of more than \$15 requested by a consumer in the US and sent to people or businesses in foreign countries. Banks that only occasionally do remittance transfers are exempted from the rule, but the threshold is only 100 per year, so it probably makes sense to prepare anyway so a closer look at the rules is in order.

There are two disclosures that must be provided to customers as the "senders" of funds. The first is a pre-payment disclosure given to the sender before the transfer is paid for. This disclosure must list the amount to be transferred, the exchange rate, any applicable fees and the amount expected to be delivered abroad. Recipient institution fees and foreign taxes do not need to be disclosed, though it should be noted that fees may be taken/charged by the recipient bank.

The second disclosure is provided when the customer makes the payment. The bank must provide a receipt that repeats the information on the first disclosure and notifies the sender the date the money will arrive, as well as error resolution rights.

If your bank is already an international remittance transfer provider and you would like more information on complying with Reg E, this meeting is designed for you. If your bank is exploring the idea of providing international transfers to your customers, then this meeting is also designed for you.

Our International Services Group has a solution to assist your bank in complying with Reg E, so come see the ABC's to find out more about what we have to offer. As Shakespeare would say himself if he were here, "Nowe if the regulation, which thou art desirous to finde more knowledge, begin with "E", then clicke the hyperlink belowe for thine invitation to a webinar".

Wednesday, September 4th - (7:00 a.m. PDT/10:00 am EDT):

Thursday, September 5th - (10:00 a.m. PDT/1:00 pm EDT):

BANK NEWS

M & A

First-Citizens Bank & Trust Co. (\$21B, NC) will acquire Mountain 1st Bank & Trust Co. (\$698mm, NC) for \$10mm (\$8mm will be used to pay off TARP and \$2mm will go to shareholders).

More at Home

The latest report by the Census Bureau finds the percentage of Americans ages 25 to 34 that were living with their parents edged up to 13.6% in 2012 vs. 13.4% in 2011 (note this was about 10% 10Ys ago).

Online Risk

Experts say about 10% of spam messages are malicious and 7% contain a link to a malicious website.

Biz Customers

A recent American Express survey of small business owners finds 49% are planning to take 1 week of vacation vs. 54% last year and a high of 67% in 2006. Gradual sales improvement and less staff were likely reasons.

Mobile Offers

Placecast research finds 89% of people say accessing local information on their smartphones is at least somewhat important and 40% said it was very important and they were extremely interested in getting location-based content/offers.

Tablet Users

Research by IPG Media Lab and YuMe finds 85% of tablet video viewers multitask when using their tablets vs. 86% for smartphones and 97% of TV viewers.

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