National Call
Banking Reform: What's in It for Me?
Part I: "Wired Against Me: Reining in Money Transfer Scams"

—TRANSCRIPT—

National Council of La Raza
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Janis Bowdler: Thank you everybody for participating in the call today. We're excited to have you and we've got a great lineup. Most of you who are on this call know that this is the first in a three-part series to break down Senator Dodd's financial reform bill. The series is "Banking Reform: What's in It for Me?" which is something that NCLR [National Council of La Raza] and a lot of people are asking themselves. And so we've picked three topics that we know are important to you and are important to a lot of people who have been following NCLR's work in this area and the work of all of our amazing partners that are also pushing for strong reform of our banking system.

So today we're going to start with a topic that is very important and so far has not gotten a lot of attention. And that is remittance reform. I know that I don't have to tell a lot of you how important this is to our community, to the immigrant community, and to the millions and millions of people every year who wire money to friends and loved ones while they are abroad.

We know that our families right now really have no way to make an apples-to-apples comparison or to find recourse. If something has not gone right in their wire transfer—if they were charged unjust fees, if their money was lost, if their loved one didn't actually get the money on the other side or didn't get how much money they were supposed to. And we also know that the people who are most likely to be sending remittances are low-income families. So I always laugh a little bit when we talk about low-income families that aren't very good savers, but we know that in the immigrant community these are families that live near the poverty line and yet they're able to send $300 or $500 a month back to their families. These are families who are very financially savvy but have problems when they run into a system that is wired against them, which is why we've started with remittances, a system that right now is really wired against the families that rely so heavily on it.

So we've got a great lineup, and I'm not going to keep you from them any further. Let me just walk through how the call's going to go. First we will hear from Annette LoVoi from the Appleseed Network. We'll hear from Margot Saunders from National Consumer Law Center. And then we will hear from Matt Pippin from Senator Akaka's office in Hawaii.

And from there we're going to open it up for some discussion. We want to hear your feedback and information from you about what's been going on in your community in terms of remittances. We'll take any questions that you may have for speakers. We can also answer questions about how you can get more involved and let your senators know that this is a very important aspect of the financial reform bill.

So with that, let me hand it over to Annette.

Annette LoVoi: Thank you, Janis. It's a pleasure to work with our colleagues on the line, and thanks to your organization for organizing the call.

I'd like to speak with you this morning about why we need reform and to give you an overview of Appleseed's research and work in the immigrant community.

Appleseed has long championed the regulation of remittance transfers as a way that consumers can protect assets and a way of affording consumer protections for these transactions.

We've studied remittance practices in four states—Georgia, Nebraska, Illinois, and Texas—over the last decade and helped pass legislation at the state level. We also conducted a pilot with five remittance companies and then interviewed 700 consumers about their feelings about disclosure in remittance transactions. The overwhelming findings from our three pieces of work are, first of all, that consumers want information about remittance costs and will use this information in making decisions about sending money. Secondly, as we know, the markets do not consistently work to provide predictability that senders and receivers believe is critical.

I'll walk you through the three pieces of work and share with you our on-the-street findings. In 2009, we issued a report that presents findings from 700 individuals who send remittances. We discovered that 78% of those who used a disclosure, a pricing disclosure, found it helpful. And we found that 84% of those using the disclosure want to see a disclosure in all locations. In other words, they want a basis for shopping and they want a basis for shopping that they can compare.

In 2007, we published a report called *The Fair Exchange: Improving the Market for International Remittances*. And in this instance consumers told us that they basically want three things. They want security. They want reliability or predictability. They want to know what their loved one is going to get on the other side, and they want information about cost. They want those three things to be addressed. And the legislation that we're discussing this morning addresses all three of those things.

Let me give you a few more comments from the public on what they wanted in these disclosures. All the participants like the idea of a clear, uniform pre-transaction disclosure. This would give them a basis for shopping from one location to another. The customers expressed a strong preference for detailed transaction information. In other words, the more, the better in helping them shop.

Consumers focused on the actual value of funds going across the border. They wanted to know what the precise amount would be that the family would receive on the other end. And a related preference for the consumers is predictability—that the money will get there and will get there in a reliable fashion.

And finally, the consumers told us that they would prefer to use a business that had a pre-transaction pricing and service disclosure over one that did not. So this reinforces some of the things that Janis said in her introductory remarks.

A third piece of work that we conducted is called *Creating a Fair Playing Field for Consumers*. This is a report that Appleseed produced in 2005. In this report, we noted that remittance transactions do not meet the same pre-transaction disclosure standards as many other financial products. What we found is that there is inconsistent access to pricing information before a transaction, inconsistent foreign exchange rates make shopping difficult, and finally there are differing disclosure requirements from state to state.

So what we found in talking with these consumers is something of a blind process in many instances that consumers just simply did not have the information that they needed to make a decision as you and I might or other customers might in making a banking or other finance decision.

We studied markets in four states and I'll just give you one example from Georgia. On the same day in Georgia, pricing could vary from as little as $4 to as much as $22 for making a transmission. Once again, we go back to our earlier comment that this should not be a game of roulette. There should be predictability in this marketplace.

So let me conclude by quoting from one of the consumers that we interviewed, who said that "these sorts of disclosures that we studied should be present in all remittance operations." Janis, let me conclude my remarks there. Thank you.

Janis Bowdler: Thank you so much, Annette. Now we're going to go to Margot.

Margot Saunders: Well, we at the National Consumer Law Center respond to legal services, attorneys' needs for assistance with consumer law issues. And so when I was asked a few years ago by Senator Sarbane's staff to help craft a remittance bill, the first thing I did was call legal services attorneys around the country who were representing farmworkers, who are almost always migrant farmworkers from Central American countries. And I asked them what are the problems with remittances that they are seeing with their clients.

I talked to a lot of different people. And the stories that I got back were quite consistent. There were two big problems. One, that the prices were too high, especially in rural areas where most of the farmworkers were living. And that the promised amounts were not being received by their relatives. So if they were promised that the payment of a certain amount of money would result in a certain amount of foreign exchange, their relatives would report they were receiving much less. And the farmworkers had very little ability, they felt, to challenge this. And even when they went to an attorney, the attorney couldn't really find any clear remedies.

And in fact, there were not. There are not clear remedies because there are not clear receipts, there are not clear promises. And so our first goal in drafting legislation was to try to limit costs, but in this decade and the last decade, that's not going to happen politically. So the next best way to do it was to provide very simple, clear disclosures that would provide the basis for a promise. That's the goal of the legislation, and we're very happy to see that Senator Akaka's legislation will meet those goals and would make a huge difference to the very poorest of the poor people who remit money to their relatives.

So we're hoping to see it pass.

Janis Bowdler: Great. Thank you, Margot. And next I want to turn it over to Matt Pippin in Senator Akaka's office. And as you may have read a little bit in the invitation to this call, and as has been alluded to by our speakers, in Dodd's regulatory reform bill, we have been able to get some strong reform language in there that would bring more protection for families when they send money to their loved ones. And Matt Pippin is really the man behind the curtain who's helped make that happen. He's an expert and he's a champion that is really pushing this. I've asked him to share a little bit on what this is going to do for us, why it's so important, and what we're up against when it comes to making sure that these new protections actually last all the way to the finish line. Matt?

Matt Pippin: Thank you, Janis. Aloha, everybody. As has been discussed, we are in Hawaii. We had seen so many people being overcharged when they were trying to send remittances or not having their money reach their intended loved ones. And the lack of effective state protections and not having any meaningful federal regulations that address remittances is why we've been working with many others to try to bring about some significant changes to address the number of the problems that Annette and Janis and Margot all have talked about.

And working with the Department of the Treasury and the Banking Committee, we worked to bring about significant consumer protections that are in the legislation that came out of the Banking Committee. It's really intended to require meaningful and relevant disclosures about the costs of sending remittances that need to be displayed in the storefronts and given to the consumer prior to and after the transaction. It also will include a complaint and error resolution process for remittance transactions, which is also extremely important.

I want to thank Margot, Janis, Annette, and everybody else who's been working very closely with us to help advance this truly meaningful legislation. Already we've heard some concerns from some financial institutions and remittance providers that they have some concerns with the legislation. And we've got to try to work with everybody to try to find a solution to some of the problems that are presented, but also try to keep as strong of a reform as possible to make sure that the disclosures are meaningful and relevant to people, and that there's a true resolution process that we can bring people into.

It will be extraordinarily important for all of you to keep working with your senators, especially those on the committee, and to thank them for the support of the remittance amendment and encourage them to continue to support as strong a reform as possible.

And it's also going to be important to reach out to members not on the committee because it is through the interactions that all the advocates have with the individual offices that help make it easier to advance legislation like this. Meaningful reform hasn't been done before for remittance transactions because it's not easy. It's extraordinarily difficult and I appreciate all the efforts of everybody on the line and others that have been working with us on this. I look forward to continuing to work with all of you to make sure we get as strong a reform as possible. Thank you.

Janis Bowdler: Thanks, Matt. We know for sure that a lot of companies have been making a lot of money on the backs of immigrants and other families that send money overseas. So, of course, from a profit perspective, they have an incentive to want to be able to keep making money the way they've been making money all along. But, of course, everybody on the call and in the field knows that that has come at a high cost for the families that we serve and that we care about. Reform is absolutely important both for making sure that the process is fair, but also, let's face it—in this economy, our families really need to make their last buck stretch as far as it can. And they can't afford to waste money on high fees and other abuses that happen all along the remittance system.

So I just want to thank you as well for your work and for being a champion of this cause, and my colleagues, Annette and Margot, for their work and dedication to this. I think we're really close to getting some positive protections for our families.

At this point, we want to take your questions—really open field any questions that you may have about the remittance process, the protections, or what the bill have to offer. We'll take any of that, as well as your comments or stories about what you've seen happening on the ground in terms of remittances.

Matt Pippin: And Janis?

Janis Bowdler: Yes?

Matt Pippin: I apologize. I'm going to have to drop off to go to my next meeting. But thank you again for coordinating and I really appreciate all the help of everybody involved.

Janis Bowdler: Okay, great. Well thanks, Matt. No problem.

Matt Pippin: Bye-bye.

Janis Bowdler: Bye-bye.

Operator: Okay. We have a question from Sharon Hill.

Sharon Hill: Hello. This is Sharon Hill and I'm with Georgia Appleseed, one of Annette LoVoi's colleagues. My question is very simple. Just an update on the status of the bill.

Janis Bowdler: Sure, I'll take first crack at that. So the bill overall has passed out of the Senate Banking Committee and if you follow the politics, I guess some called it almost an anticlimactic vote. What happened was once they saw that the vote was going to go along party lines, pretty much everybody agreed to hold their controversial amendments for the Senate floor. So it actually passed very quickly out of the Senate. We thought we would have a tougher fight, but we didn't.

What that means, and what we're hearing, is that the bill is going to come to the Senate floor sometime toward the end of April. And that's when we'll see the real fight. We'll see a number of industries trying to get themselves exempt from the new tough rules that the Senate bill is going to try to put out there. They are going to try to do things like strip entire sections out of the bill. And those that are in favor of seeing greater protection and making sure that we get a level playing field for our families, we're going to have to be really on the ball and calling our senators and telling them not to back down.

So right now in the next couple of weeks, as we make it to the end of the month, we know that all sorts of wheeling and dealing is going on as they try to make this a bipartisan bill and try to attract a few republican senators.

So our message to them is not to weaken the bill in any way, to stand firm. And in fact, I won't speak for everybody on the phone, but NCLR's position is that the bill actually needs to get stronger, not weaker, before it's really where we need it to be to offer the most protections to our families. Did I answer your question?

Sharon Hill: Yes, that's very helpful.

Janis Bowdler: Okay, great.

Operator: Our next question comes from Mary Aldeis.

Mary Aldeis: Hi, very good afternoon in El Paso, Texas. First of all, we want to thank you guys for the great work you're doing in this. This is very important. My question is a little bit off the topic. Many immigrants, many Latinos that come to work to the United States, all of them don't have bank accounts. Now on the same topic that they send payments, or they send money to their family members abroad—a lot of them also send payments through either money orders or electronically. Now is it true that this form of payment will not be accepted? I know it's a little bit off the topic, but it is a concern to us. Thank you.

Janis Bowdler: Mary, I'm not sure if I understand your question. What kind of payments won't be accepted?

Mary Aldeis: Electronic payments and money orders eventually. That everything will be wired through banks. But as we know, some individuals don't have a bank account.

Margot Saunders: Can I answer that?

Janis Bowdler: Sure, Margot. Go ahead.

Margot Saunders: The purpose of this legislation is to simply make disclosures and set up an error resolution process. It doesn't change in any way, or it shouldn't change in any way, the method of remittances. It certainly doesn't prohibit electronic remittances. It actually possibly even favors them. I don't see why—what are you seeing that would make you think that that would be the case?

Mary Aldeis: Primarily it's just talk, but you know how sometimes talk turns into reality. The information that you just provided me is really reassuring. I didn't know if it was part of the bill or if it's something that was speculated to take into effect in the future. So I do appreciate you telling me that this is not part of the bill, that it's not something that's going to be affected anytime soon.

Janis Bowdler: Yes, I'm glad that you asked that question, Mary. Because NCLR's Wealth-Building Policy Project has been researching and advocating on solutions to predatory lending and abuse throughout the financial system for some time now. Every time we propose something that would protect families, almost always the response from industry or people that favor the status quo is that you're somehow going to end the availability of credit, or you're going to keep a certain financial product from being available. And that's not our objective and it's not the objective of our colleagues. So what we're usually talking about are very narrow protections that really help families gain more access to financial services while holding onto that last dollar or two. So that was a really great question. I'm glad you asked that.

Annette LoVoi: Janis, may I ask a follow-up question? This is Annette.

Janis Bowdler: Sure.

Annette LoVoi: Mary, I agree with what Janis and Margot have said, but can you give us an example of some of the payments that are made electronically? Just so we can have a little more information about some examples of this.

Mary Aldeis: Absolutely. First of all, for instance, some payments that can be made electronically through companies like Western Union, for example, include payments to bill collectors, and what we've heard of course is individuals being able or the opportunity to make payments, not necessarily through their bank account electronically, but through Western Union. And like I said, to bill collectors, to companies that, for instance, use—let's say someone purchases a carpet and the payment is processed through, not directly, the company that sold the item, that provided the service, but a third-party person that is handling the finances for that company. Am I making myself clear somehow?

Annette LoVoi: Yes, thank you for giving us a bit more information.

Mary Aldeis: Sure thing. Thank you, guys. We're very grateful for the work that you guys do. And if there's anything that we can do in El Paso to help, by all means, count on us.

Janis Bowdler: Great, thank you. We have a few more questions.

Operator: Our next question comes from Jaime Trejo.

Jaime Trejo: Hello?

Janis Bowdler: Hi, Jaime.

Jaime Trejo: Hi. My question is, here in San Francisco, a lot of individuals use check cashing places. Check cashing places are the same places where you can send money home. So is there anything on this legislation that would affect check cashing places?

Janis Bowdler: Margot, do you want to talk about the applicability of the bill as it's written? Oh, did we lose Margot? Hello? Did we lose everybody?

Operator: I'm here.

Janis Bowdler: You're here. Okay. We might have lost Margot. But Annette you can pipe in here as well, but I'll start. The bill as I understand it would apply to remittances no matter where they come from. And only to remittances. So a remittance sent from a check cashing establishment or from a bank would be covered by this. Annette, did you want to talk about that a little bit as well?

Annette LoVoi: Janis, that's my understanding as well, that this would require disclosures, whether the transmission is coming from a wire transfer money transmitting company, or from a bank, or from the sorts of organizations that you're describing, Jaime. The disclosures should apply to all remittances. Jaime?

Jaime Trejo: Yes. Oh, actually my question was around—I know we're talking about remittances, but around check cashing places and if there's anything that would regulate check cashing places.

Janis Bowdler: Oh, I see. Sorry, I didn't completely understand your question at first. So if you've been following NCLR's emails, you know we've been pushing pretty hard for the inclusion of a consumer financial protection agency. In the Senate version, it's been scaled back a little bit and put inside the Fed and is now called the Consumer Financial Protection Bureau.

But names notwithstanding, the idea is that this agency would be able to write and enforce rules on all financial transactions, and this is one of the big fights that I was alluding to. Check cashers and payday lenders are a huge lobby force that is trying to get themselves carved out of the bill.

As it stands now, in the Senate version, the agency, once it's in effect, would have the ability to determine which entities are the largest of a given type of financial transaction. So in the case of check cashers, they could write rules that would apply to everybody, including check cashers, and they would be able to enforce those rules and bring under their direct coverage those institutions that are the largest. So some of those name brand check cashers could face a tougher enforcement agency that would be watching them more closely.

We feel pretty strongly that the small guys are important too, and we know that a lot of our families go to the small sort of hole-in-the-wall kinds of places for things like check cashing and a lot of other transactions as well. Right? Like car loans. The buy-here-pay-here lots are often small but sometimes have the worst abuses. So the agency as it stands now would have the ability to write rules that would govern those organizations, but they may not have all the power that they need to go out and enforce those rules on all the different kinds of entities. This is one of NCLR's sticking points that I mentioned when I said that it needs to get stronger before we feel like it's going to be as effective as it needs to be.

So the answer to your question, my very long-winded answer to your question, is that it's almost there. It's not that bad, but we think it definitely needs to get a little better.

Jaime Trejo: Okay.

Janis Bowdler: Thank you.

Jaime Trejo: Thanks.

Operator: Your next question comes from Leslie Froelich.

Leslie Froelich: Hi. I have two quick questions. This is for Annette. Was the study done in Georgia that you mentioned—I think she said it was saying that the fees could change or range from $4 to $22 on one day per transaction? I just want to make sure I understood that correctly. So she was saying on a given day when the study was done, the fees charged to the sender of the remittance could range from $4 to $22. Is that what she was saying?

Annette LoVoi: Yes. We saw that kind of variability.

Leslie Froelich: Okay.

Annette LoVoi: We did a pricing study and this comes from our work conducted in 2005. The name of the report, just in case you care to look it up on our website, is called *Creating a Fair Playing Field for Consumers: The Need for Transparency in the U.S.-Mexico Remittance Market*. And just to give you a little bit of background on what we did, we conducted surveys in four different states. And we did pricing research just to see the variability in the pricing that would occur. And that's what we found.

Essentially we were finding variations on the same day that could create a disparity in the same market. So it wasn't necessarily the same day that could create a disparity in the same market. So it wasn't necessarily the same company; it might be different companies in the same market. But that's how the prices were bounced around.

Leslie Froelich: Okay, and my second question, and I guess it would probably be for you as well, Annette. Was there any particular company or region of the country, or maybe a certain immigrant population, where you saw the most variability in the fees, or sort of the worst fees? Was there any area or company where you guys saw that going on, that was worse than others?

Annette LoVoi: We didn't point to that in our work. What we found were similar variations and similar lack of predictability in four different states. So we didn't in those instances cite specific companies; it was more looking at the trends of how things moved. And I'd say that among the four states we found similarity. I can't say one was better or worse. I point to the Georgia example just because it's a rather dramatic example.

Leslie Froelich: Thank you.

Operator: Our next question comes from Francis Calpotura.

Francis Calpotura: Hi, Francis here, Calpotura, from the Transnational Institute for Grassroots Research and Action. A couple of questions. First, is the opposition to this provision for this bill—how are they framing their arguments? And who are they? And secondly, have we been able to recruit the kind of members of the industry who would probably also agree with us on this to make the argument to have other strategic allies and to make this argument in Congress? And I have a follow-up question, but that would be the first one. How are they framing the arguments and who are they? Have we recruited other players in the industry to back our plan?

Margot Saunders: Janis, do you want me to—?

Janis Bowdler: Sure, please go ahead, Margot.

Margot Saunders: I'll answer the first part. The credit unions have come out against the bill initially because it would require them to change some of their practices. They say they would have to enter into contracts with agents in the recipient nation that they're currently not entering into. And that would be expensive. They complain about the fact in the bill that there's an error resolution procedure and liability for the remittance provider if the error resolution procedure is not followed or not followed correctly. So we're—Janis is working hard and others are working hard to try to rebut those issues. Wells Fargo has also made a complaint about the bill along similar lines. And then I'll turn the rest of the answer over back to Janis.

Janis Bowdler: Sure. So Francis, to get to the second part of your question in terms of industry members that are supporting it—I'm not aware of any, and that I don't know if you know any that are actively supporting the provisions that we have in the Senate.

Annette LoVoi: I'm not.

Margot Saunders: I'm not either, Janis.

Janis Bowdler: Okay. So Francis, we would love to get your take on where we should be looking for additional allies. The provisions in the Senate, while exciting because they're really going to move the ball, are pretty modest. I mean, as you've heard from the speakers, what we're talking about are disclosures that allow families to make apples-to-apples comparisons. So we think this is a reasonable step and we'd love to see more industry players adopt the language that's in the bill. Do you have some recommendations for us?

Francis Calpotura: I do. I mean, we in fact have been working with some more forward-looking companies in the industry along various kinds of standards. One of them is around disclosure, but also around commitments for community reinvestment in the communities they benefit from. So we're going to announce, in fact, accreditation that we're doing with three companies in the next six weeks. So if there is a way to leverage relationships with those companies who in fact have already signed on the dotted line, that they would agree with these provisions and more, I think would be very, very forceful.

Janis Bowdler: That would be great. I would love to follow up with you afterwards to—

Francis Calpotura: Okay. Happy t o.

Janis Bowdler: Thank you so much. Did you have another question?

Francis Calpotura: No, that's it. And thank you again for pulling this together. [I’m] looking forward to working with you on it.

Janis Bowdler: Absolutely. Thanks. We still have a couple more questions in the queue it looks like, so we'll keep going through.

Operator: Our next question comes from Paul Dwyer. Your line is open, sir.

Paul Dwyer: Hi. This is Paul Dwyer. I'm the president of Via Americas, a remittance company. And we were one of the participants in the Appleseed work—the fair exchange work that tested the use of the storefront disclosure. And I would love to count myself as a forward-looking company and support workable proposals, but let me outline to you why what's in Senator Akaka's amendment is unworkable. And I hope you'll take this as constructive feedback and understand from the perspective of a company that is trying to do the right thing. And I think, Annette, you can testify to the level of effort that we and other companies, Wells Fargo included, put in to testing the disclosure template that really is the basis for the storefront disclosure that's being mandated in this bill. But just do the math with me for one second.

We're asked to disclose the fees and exchange rates for two separate amounts to three countries in two languages. Okay? Now right there you're up to 12 numbers that have to be disclosed every day and posted on the agent's storefront window. If you have an average of three correspondents in each country, which is typical, and exchange rates vary by correspondent because they compete with each other for the business, you're up to 36 numbers that are supposed to be published on a customized basis to every single agent because exchange rates do differ in markets according to competition.

So I just don't understand how this can really work. And I think that it's really problematic the way that this has happened. There's no opportunity for industry comment, it's not being pushed to the bureau or to the board for a typical rule-making procedure where you would have advance notice and the opportunity for public comment, where practical observations from those that are going to be required to implement these laws can be taken into account.

Margot Saunders: Can I ask you a question?

Paul Dwyer: Absolutely.

Margot Saunders: This is Margot Saunders from the National Consumer Law Center. Is it just the storefront disclosures that you have concerns with or are there other parts of the Akaka provision that you are also worried about?

Paul Dwyer: The storefront disclosure is certainly a very, very difficult—it's a problematic—just logistically difficult. But we did the trial. And we published this storefront disclosure to a selected group of agents. The agents tired of it. They said, "I don't want to put this up every day." It's not that they didn't want to disclose the information; it just was a cumbersome process. And I have to differ in terms of how useful it was, but reasonable people will differ. Okay, the other provisions. The pre-transaction disclosure, people do ask what exchange rate they're getting. And my problem with that, I think in the Gutierrez language that was coming out of the House—if the customer asked for it, it had to be given.

Margot Saunders: With all due respect, but that's exactly what must be given under Truth and Lending. In every credit transaction, it's required to be provided. The costs of the transaction is required to be provided right before the transaction takes place. Why should this be—and since the information is identical to what you will be providing one minute later, if they choose to proceed with the transactions, why is that so difficult?

Paul Dwyer: Well, I don't think you'd find many consumer lending places that are doing 200 transactions on a Friday evening after people have gotten paid. It's the cumbersome issue of actually issuing now two receipts for a transaction. I mean, in practice what happens is the receipt is printed off the system. It's handed to the customer to review, the customers signs it and gives it back. So if that constitutes pre-transaction disclosure, because without any signature there is no transaction, then I'm okay with it. But if there's something separate that has to be printed off, given to the consumer so that he can look at it and then come back a minute later, it's just not going to work in practice. I mean, it's not that we're trying to hide the ball.

The third one that is really difficult from a practical point of view. I mean we're one of the ones that drove prices down in this industry. I came into it ten years ago, prices were at 15%. And we've been at 3% to 4% all the way along. And we brought prices down in this industry.

But when you look at the error resolution procedures, let me give you two concrete things that are problems with it. Columbia, for example, has a financial transactions tax. They call it a *tres por mil* or a *quarto por mil* tax, depending on what the rate is at different times. That financial transactions tax is collected on certain incoming remittance payments. Okay?

The rules on when that tax is collected are as complex in the Columbian internal revenue code as some of the U.S. tax rules are for us. If it's into a bank account, it's not collected. If it's paid out in cash at a bank, it's not collected unless the bank has a different arrangement, then it's collected. If it's in an exchange house, then it's collected. Am I now required to hardwire into my system and maintain all of the vagaries of what taxes might be collected around the world on remittance payments that are being made? I'm liable if my receipt doesn't say "oh by the way, $2 is going to be taken off on the back end because of a local tax on the back end."

Janis Bowdler: We certainly want to have an open dialogue with you and talk to you about how to make this practical and workable. But from NCLR's perspective, the fact that systems might have to evolve, or change, or adapt—that is something that I think is fine. We know that there's going to have to be some adjustment period. And I don't think that that's too much to ask.

I understand that you're making a distinction between what you feel like you're not able to evolve and adapt to do, but I think we can be very innovative in coming up with systems, especially given the technology, that will be able to allow us to read prices all over the world to solve a simple problem for families who are in the position to have the least amount of knowledge. Which going back to Margot's example where those migrant farmworkers who come in and just want to make sure that when they hand their hard-earned money over the counter to a remittance vendor, that their loved one will be able to get a predictable amount of money on the other end. And they just want enough information to make this possible.

So I think we can take some of this dialogue offline. Make sure that you are getting input into the process and make sure that we're making sure that this is practical and able to implement. But we have a few more questions, so I want to make sure we have time to get to those as well. So can we get instructions on questions and go to our next question? Thanks, Paul, for that input.

Operator: Our next question is from Keo Chea.

Keo Chea: Hi, this is Keo. I work for the Housing Subcommittee.

Janis Bowdler: Hi, Keo.

Keo Chea: Hi. I just had a question. Maybe you guys already addressed this earlier, but I was wondering if there's anything—I know that there are two bills, one on the House and one on the Senate side that are addressing this issue—but is there anything that you see could be helpful in addition to what's already out there in terms of a legislative fix or anything that hasn't been addressed yet?

Janis Bowdler: Sure. Annette, you've been quiet for a little while. Do you want to talk about that?

Annette LoVoi: Keo, are you thinking about related disclosure provisions? Or provisions tied to remittances?

Keo Chea: I guess all provisions that are tied to the remittance. We had a subcommittee hearing on this I guess a couple weeks back and my boss expressed some interest in making sure that, I think, some of the major issues are covered, because I know that there are folks in her district that have been complaining about the excessive fees and lack of disclosure. But is there more to the story that we can help fix? Or is this the main issue, and is it pretty much being addressed through Senator Akaka's bill and Mr. Gutierrez's bill?

Annette LoVoi: I'd welcome additions from Margot and Janis. But from our perspective, based on the work we've done over time, the pre-transaction disclosure and the ability of the consumers to shop are of paramount importance. So the central concerns out of our work are being addressed if this legislation moves. Margot, Janis, do you want to add anything? I hate to close the door on the question of [whether] anything else [is] needed because I'm sure there will be other things that are needed. But, at present, the legislation that's moving addresses our major concerns.

Margot Saunders: Can I answer that?

Janis Bowdler: Sure, Margot. Please go ahead.

Margot Saunders: When you ask "is there anything else that can be done?" I can't help but say yes, there's something else that we would like to have done but we know that it's politically impossible. The request that I got from lawyer after lawyer representing low-income farmworker migrants was repeatedly "can you do something about cost in rural places?" In cities where there is lots of competition, apparently there's a pretty good ability to shop and compare prices. But in the rural areas where there's not a lot of competition, quite obviously the marketplace is not as efficient and the prices for small remittances are much, much higher. And farmworkers tend to send a lot of small remittances because they're afraid to leave cash lying around while they're out in the field.

So I know that that's unrealistic to put on the table, but I'm bringing that up because when we're pushing for the next best thing [for] disclosure and error resolution, for failure for the recipient to get what was actually disclosed, at least we should get that if the real problem can't be addressed.

Keo Chea: Okay, that's helpful. Thank you, Margot.

Margot Saunders: Okay, sure.

Janis Bowdler: Thanks, Margot. And we're at the hour here, so I want to wrap up and thank our speakers and Senator Akaka's office. Matt had to leave us, but thank them for sharing information and sharing knowledge with all of you. And I want to thank the participants for sticking with us for a lively conversation.

When we started this conversation, we knew this touches a lot of people, millions of people, and we didn't even talk about the hundreds of billions of dollars that actually go out through remittance networks across the country to loved ones abroad. But that's a stunning number as well. So we know that there's a lot riding on this debate. We want to get it right and we want to protect our families who really have no one else looking out for them. That's certainly NCLR's goal.

So in closing, I just want to remind folks on the phone again that this is part one in a three-part series. Next Thursday, at the same time with the same number, we'll be talking about financial counseling and what's next on that front. So I hope you'll be able to join us.

So with that, I just want to thank my speakers and thank those of you for joining us today that are on the line. Thank you.

Annette LoVoi: Thanks, Janis.

Margot Saunders: Thank you. Bye-bye.

Annette LoVoi: Bye-bye.