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Subject: Reg E - EFT

Comments:

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Comments:

I want to thank the Federal Reserve for the opportunity to comment on the proposed changes to Regulation E, as set forth in 76 Fed. Reg. 29901 on May 23, 2011. These comments are being provided on behalf of Fremont Bank a full service community bank located in Northern California. Regarding Coverage & Definitions Setting a minimum number of annual transactions to trigger coverage would create a tracking nightmare for financial institutions. Coverage should be per transaction. The final rule should exempt online bill payments. Just the disclosure requirements would be burdensome. There may not be enough information included in the online bill payment to satisfy the Act. Regarding Content of Disclosures Pre-payment content Item 4: Exchange rates are in constant flux. Currently, the rate is booked when the client decides to send the wire. If we book a rate and the client changes his mind, we must cancel the booking. If the client returns later the same day the rate will have to be re-booked and most likely will have changed. This causes unwarranted work. Generally, the rate will remain close to the original quote. For pre-payment disclosure we should be allowed to quote the rate explaining that it is subject to change (minute by minute). Item 5 and 6: Fees and taxes imposed by 3rd parties other than the Provider are unknown to the Provider (especially those that are applied in foreign countries); therefore, neither the transfer amount nor the fees/taxes can be disclosed to the Sender (client). Receipt Item 2: Date currency will be available to the recipient (must be a specific date) This is unknown since the receiving foreign institution has control of crediting the recipient. Combined Disclosure Regarding whether to include a requirement to demonstrate proof of payment and how it should be disclosed. The only proof a Provider has is a Fed number which only means that the funds have been received by the Federal Reserve. Proof of receipt could only come from the Recipient Bank or the Recipient. Regarding Estimates (section 205.32) The first exception which is temporary should be made permanent because, with the exception of the exchange rate, these amounts are generally unknown to the Provider, making estimates difficult. In the 2nd exception (permanent), who

will verify the "laws of a recipient country"? Will all Providers be expected to know the laws of the recipient country? Regarding Calculating Estimates "The estimate must be based on the most recent transfer made by the Provider to an account at the recipient's institution." Difficult to know without researching, which may be impractical. Regarding Error Resolution Time limit for sender to report an error is extremely long (180 days). Time limit for the Provider to correct the error (1 business day) seems disparate compared to the reporting timeline. Regarding Other Provisions Cancellation Rights "Proposed section 205.34 would establish new rights to let consumers cancel a remittance within one business day after payment" The wire transfer would have left the Provider and may be in the control of the foreign recipient bank over which we have no authority. "If a cancellation is effective, the provider must refund the total amount tendered, including any fees (even fees imposed by a third party), within three business days." Fees by third parties are often assessed, when the wire is sent and when it is returned; also, the exchange rate may not be the same. Providers may be forced to increase their own fees to cover losses suffered by this requirement.