



Legislation Text

File #: Res 0396-2004, **Version:** *

Res. No. 396

Resolution in support of S.1359, the “International Remittances Services Enhancement and Protection Act,” to remove the regulatory barriers that discourage credit unions from offering services to the poor and to require full disclosure of the fees and exchange rates to consumers, and S.1344, the “Money Wire Act,” to mandate greater transparency in the money wiring process.

By Council Members Lopez, Comrie, James, Nelson, Sanders, Vann and Jackson

Whereas, Across New York, hundreds of thousands of immigrants struggle to save money to wire it to their families back in their homeland; however, because of inadequate regulation of money wiring services and ad hoc standards, many unsuspecting people are at risk of getting ripped off by unforeseeable fees or unfair exchange rates; and

Whereas, In response to this ongoing consumer threat, two federal legislative initiatives, co-sponsored by Senator Hillary Rodham Clinton, were recently introduced, designed to foster consumer awareness and ease the burden of fees and transaction costs; and

Whereas, The “International Remittances Services Enhancement and Protection Act,” S.1359, would allow credit unions to provide international money transfer services and would require disclosures in connection with international money transfers from all money transmitting service providers; and

Whereas, The “Money Wire Improvement and Remittance Enhancement Act” (“Money Wire Act”), S.1344, would amend the Electronic Fund Transfer Act to require additional disclosures relating to exchange rates in transfers involving international transactions and for other purposes; and

Whereas, Together, these two initiatives should enhance the disclosure of important consumer information thereby enabling consumers to make informed and knowledgeable decisions about where they do business and thus, help them avoid paying unfair charges during money wiring transactions; and

Whereas, Currently, because of the lack of transparency in the money wiring process, many consumers are sending money overseas oblivious to the fact that they are being charged high hidden fees and unfair exchange rates, which often result in a large amount of money being consumed by transaction costs; and

Whereas, According to the Inter-American dialogue, of the \$25 billion in remittances sent from immigrants in the United States to family members in Latin American and Caribbean regions last year, nearly \$4 billion was eaten up by fees and other transaction costs; and

Whereas, S.1359 and S.1344 are consumer protection measures that will ensure that when people send their hard-earned money they are not being deceived as to the true costs of these transactions through undisclosed charges and penalties; and

Whereas, The International Remittances Services Enhancement and Protection Act and the Money Wire Act will open up the remittance market to credit unions while also fostering transparency in the money transfer business by requiring complete disclosure of the fees and exchange rates money transmitters charge; this will give immigrants the information they need to make informed choices about who they allow to handle their transactions; it is hoped that this will increase competition among businesses, thereby reducing costs and improving service; now, therefore, be it

Resolved, That the Council of the City of New York supports the passage of S.1359, the “International Remittances Services Enhancement and Protection Act,” to remove the regulatory barriers that discourage credit unions from offering services to the poor, and to require full disclosure of the fees and exchange rates to consumers, and S.1344, the “Money Wire Act,” to mandate greater transparency in the money wiring process.

LS# 1070