

Legislative Analysis



REMITTANCE TRANSFERS

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House Bill 5119

Sponsor: Rep. Rob VerHeulen

Committee: Financial Services

Complete to 2-27-14

A SUMMARY OF HOUSE BILL 5119 AS INTRODUCED 10-31-13

Article 4A of the Uniform Commercial Code deals with fund transfers. Currently, the code says that the article does not apply to a funds transfer any part of which is governed by the federal Electronic Fund Transfer Act.

House Bill 5119 would amend that Article 4A to say the following:

** Article 4A would apply to a funds transfer that is a remittance transfer unless the remittance transfer is an electronic funds transfer (as defined in federal law).

** In a funds transfer to which the article applies, in the event of an inconsistency between an applicable provision in Article 4A of the UCC and an applicable provision of the Electronic Fund Transfer Act, then the Electronic Fund Transfer Act governs to the extent of the inconsistency.

According to the federal Consumer Financial Protection Bureau,

Federal law defines "remittance transfers" to include most electronic money transfers from consumers in the United States through "remittance transfer providers" to recipients abroad, including friends, family members, or businesses. Remittance transfers are commonly known as "international wires," "international money transfers," or "remittances."

FISCAL IMPACT:

The bill would not have a significant fiscal impact on the state or local units of government.

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