



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

One South Station

Boston, Massachusetts 02110

JANE SWIFT
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

August 16, 2001

Mr. Dave Grace
World Council of Credit Unions, Inc.
5710 Mineral Point Rd.
P. O. Box 2982
Madison, WI 53701-2982

Dear Mr. Grace:

This letter is in response to your correspondence of July 12, 2001 to the Division of Banks (the "Division") relative to a credit union's involvement in the International Remittance Network ("IRnet"). This matter was also the subject of a telephone discussion with staff of the Division on August 16, 2001.

According to your letter, IRnet enables credit unions to outreach to immigrant communities that are very often disproportionately unbanked. Your letter states that credit unions will be using Vigo Remittance Corporation ("Vigo"), a licensed foreign transmittal agency in the Commonwealth, as a correspondent. A credit union would issue a receipt to its customer which would contain both the name and address of Vigo and the credit union. The credit union would, however, be the party responsible to the customer if for any reason the transaction did not occur. You inquire as to whether credit unions are required to obtain a license pursuant to M.G.L. chapter 169 to engage, through a relationship with Vigo, in the business of transmitting money to foreign countries.

M.G.L. chapter 169 provides that persons engaged or financially interested in the business of receiving money for the purpose of transmitting same to foreign countries must obtain a license from the Division and are subject to compliance with other provisions of the statute. Section 1 of said chapter 169 states, in pertinent part, that the chapter does not apply to banks chartered by the Commonwealth or to banks chartered by the federal government. The Division would apply this exception to credit unions chartered by the Commonwealth or by the federal government. Accordingly, credit unions seeking to engage in activities regulated under said chapter 169 would not require a foreign transmittal agency license and would not be subject to the provisions of said chapter 169 or its implementing regulation, 209 CMR 44.00 et seq. No notice or information would need to be submitted to the Division.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division. Additionally, you should note that the Division's review of the issues presented herein do not in any way constitute an endorsement of IRnet and no statement to such effect whether express or implied shall be made.

Sincerely,

Joseph A. Leonard, Jr.
Deputy Commissioner of Banks
and General Counsel

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