

October 1, 2003

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Full Committee Hearing on “Remittances: Reducing Costs, Increasing Competition, and Broadening Access to the Market”

Thank you, Mr. Chairman, for holding this important hearing and allowing the members of this committee the opportunity to become further informed on the growing remittance market.

I am pleased to see that the Department of Treasury has supported banks and other financial institutions activities to gain access to this approximately \$28 billion dollar market in the United States. Increased market competition has resulted in a 6% decrease in the cost of funds transfers specifically between the United States and Mexico. By allowing credit unions to offer remittances and check-cashing services to non-members in the Financial Services Regulatory Relief Act (HR 1375), this Committee has also done its part to foster competition.

However, excessive fees for such remittance services are not the only problem to be combated in the industry. I look forward to learning more, this morning, regarding the other areas of concern the Treasury Department has identified within this state regulated industry.

Given our current climate of increased security concerns and the possibility that remittance payments could be a means of terrorist financing, the lack of complete disclosure requirements for all remitters, especially those informal remitting agencies such as grocery stores and small businesses, presents significant risk.

Again, I would like to thank you, Mr. Chairman, for bringing our attention to this important issue and I look forward to being further educated on this industry.