



MoneyGram Responds to Recent Inflammatory and Misleading Statements by the CFPB and Its Director

May 2, 2022

DALLAS, May 2, 2022 /PRNewswire/ -- MoneyGram International, Inc. (NASDAQ: MGI), a global leader in the evolution of digital P2P payments, today responded to several inflammatory and misleading statements made about the Company by Rohit Chopra, Director of the Consumer Financial Protection Bureau ("CFPB" or the "Bureau"). MoneyGram issued the following statement:



"Over the past week, CFPB Director Rohit Chopra made additional false, inflammatory and misleading statements about MoneyGram. MoneyGram is a consumer-first company with an industry leading compliance and consumer protection program. While we prefer to not comment on pending litigation, we cannot stand by quietly while unfair and disparaging public statements are made about our Company and our dedicated employees working hard every day to protect consumers from harm.

Last week, Director Chopra on multiple occasions referred to MoneyGram as a 'repeat offender' company. This is false. The truth is that before the CFPB filed its lawsuit against the Company on April 21, 2022, MoneyGram had never before been subject to any enforcement action by the CFPB, nor had MoneyGram ever been publicly accused of violating any of the laws or regulations under the CFPB's purview.

MoneyGram cares deeply about consumer protection and has cooperated fully with the CFPB during its investigation. The Company has tried to get the Bureau to share the factual basis for its claims, but they have refused to do so. Still to this day, the CFPB has failed to make anything beyond vague statements to support its allegations and has not identified any specific acts to justify its claims.

The Director's public statements suggest that the CFPB has uncovered widespread and systemic issues involving 'substantial' consumer harm. In fact, data from the CFPB's own consumer complaint portal strongly suggest otherwise. For example, a search of the CFPB's Consumer Complaint Database shows that in the nine years that the Remittance Rule has been in place, only 351 complaints were made to the CFPB against MoneyGram for failing to deliver money when promised. These complaints represent **0.0001%** of the over **325 million** transactions subject to the Remittance Rule that MoneyGram processed during that time period. In New York, the total number of complaints in the CFPB Database for that time period was 28, approximately three per year. There have simply never been widespread or systemic violations by MoneyGram of the Remittance Rule.

Director Chopra is right to focus on the very real issue of consumer fraud in the financial services industry. MoneyGram cares deeply about this issue, too. Unfortunately, the Director failed to acknowledge the tremendous achievements by MoneyGram to prevent fraud and protect consumers. After investing more than \$800 million over the past decade to enhance its compliance program, MoneyGram is now an industry leader in compliance and fraud detection. The number of consumer fraud complaints MoneyGram receives as a percentage of total money transfer transactions has consistently decreased over the past seven years. In 2021, they were only **0.013%** of the 95 million money transfer transactions processed by MoneyGram.

MoneyGram stands as an industry leader in compliance. The U.S. Department of Justice and New York Department of Financial Services ("NYDFS") have both recently recognized MoneyGram for its substantial commitment to compliance and fraud prevention. MoneyGram is also routinely praised by law enforcement agencies including the FBI and Department of Homeland Security for its cooperation with their investigations.

We would also like to address here the recent rumors about potential follow-on state investigations into MoneyGram. MoneyGram is not aware of any such investigations. After the CFPB filed its lawsuit, MoneyGram proactively notified each of its state regulators about the case. This followed MoneyGram's public announcement of the lawsuit with the Securities and Exchange Commission on Form 8-K filed on April 22, 2022. To date, only the Banking Division of the NYDFS has contacted MoneyGram with questions around the CFPB case and MoneyGram is openly engaging with NYDFS to answer its questions. Of note, the Company had previously discussed the case with NYDFS's enforcement division and provided substantial information to NYDFS in response to their requests. After its review, NYDFS's enforcement division chose not to join the CFPB's lawsuit.

MoneyGram has proudly been in good standing with its money remittance regulators in the U.S. and around the world since it obtained its licenses decades ago and looks forward to continuing these open and positive relationships. Those of us at MoneyGram care deeply about our consumers and will continue to strive to provide the best possible consumer service while remaining vigilantly focused on compliance.

Finally, MoneyGram continues to work toward closing the previously announced merger transaction, with an expected closing date to occur sometime in the fourth quarter of 2022."

About MoneyGram International, Inc.

MoneyGram International, Inc. (NASDAQ: MGI), a global leader in the evolution of digital P2P payments, delivers innovative financial solutions to connect the world's communities. With a purpose-driven strategy to mobilize the movement of money, a strong culture of fintech innovation, and leading customer-centric capabilities, MoneyGram has grown to serve over 150 million people in the last five years. The Company leverages its modern, mobile, and API-driven platform and collaborates with the world's top brands to serve consumers through its direct-to-consumer digital channel, global retail network, and embedded finance business for enterprise customers. MoneyGram is also a leader in pioneering cross-border payment innovation and blockchain-enabled settlement. For more information, please visit ir.moneygram.com, follow @MoneyGram on social media,

and explore the website and mobile app through moneygram.com.

Media Contact

Sydney Schoolfield

media@moneygram.com

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/moneygram-responds-to-recent-inflammatory-and-misleading-statements-by-the-cfpb-and-its-director-301537135.html>

SOURCE MoneyGram