



# State Regulators: Money Services Businesses Do Not Deserve De-Risking

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Washington, D.C. – State regulators are committed to the responsible oversight of money service business (MSBs) and creating new solutions to keep pace with emerging and evolving risks that may impact the industry.

These actions address a major concern: MSBs are too often the victim of de-risking – a practice in which MSBs are shut out of banking services, said Bryan Schneider, Secretary of the Illinois Department of Financial and Professional Regulation, at a [hearing](#) today before the U.S. House of Representatives Subcommittee on Financial Institutions and Consumer Credit.

Schneider, who also chairs the Conference of State Bank Supervisors (CSBS) Emerging Payments and Innovation Task Force, noted that state regulators are not just holding MSBs accountable; through CSBS they also are taking the following action:

- Tracking MSB transactions through CSBS’s nationwide licensing system, which shows MSBs were on pace to handle over \$1 trillion in transactions during 2017.
- Providing self-assessment tools for MSBs to reduce uncertainty surrounding compliance, increase transparency and address de-risking.
- Soliciting industry input and solutions on financial technology through an advisory panel to help state supervisors streamline and solve licensing and regulation friction points.
- Creating a new technology platform designed to transform state examinations and help states respond to increasingly borderless financial markets.

Also, last week, several states, including Illinois, announced an [agreement](#) stating that if one of the participating states reviewed key elements of state licensing for an MSB, all them would accept the results.

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*The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise roughly three-quarters of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.*

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