23 States Join Multistate Licensing Agreement for Financial Services Companies

PRESS RELEASES

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Washington, DC – Twenty-three states have committed to a multistate agreement that standardizes key elements of the licensing process for money transmitters and other money services businesses (MSB). The original agreement included seven states in February 2018.

The agreement: One state regulatory department reviews common licensing requirements – business plan; direct and indirect owners, including background checks; financial information and compliance with the anti-money laundering provisions of the federal Bank Secrecy Act. These important components of any MSB represent a large part of an application review workload. The state communicates the review, called a certification, with all other participating states who have agreed to accept the findings. Each state then reviews remaining, state-specific elements. Licenses follow this second phase review. Currently, 15 companies are involved in the second pilot of this initiative, and as of June 20, 2019, they have received 72 licenses.

Charlie Clark, director of the Washington State Department of Financial Institutions: "The collaboration among these 23 states has significantly streamlined the licensing process for participating companies. We look forward to more states joining. This is a new era in the state system where we are not only coordinating but actively relying on our fellow regulators to safely bring new financial service products to our citizens."

CSBS role: The multistate licensing initiative is part of **Vision 2020**, a set of initiatives that CSBS and state regulators are implementing to harmonize the multistate licensing and supervisory experience for nonbank financial services providers, including fintechs.

More: Clark provides a full update on the initiative in the CSBS podcast, *Simply Stated*, which you can access here.

Participating states:

- California
- Connecticut
- Georgia
- Iowa
- Idaho
- Illinois
- Kansas

- Kentucky
- Louisiana
- Massachusetts
- Mississippi
- North Carolina
- North Dakota
- Nebraska
- Ohio
- Rhode Island
- South Dakota
- Texas
- Tennessee
- Utah
- Vermont
- Washington
- Wyoming

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