“If conscience disapproves, the loudest applause of the world are of little value.”

John Adams, 2nd President of the United States, was born on this day in 1735

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Simply Stated: One Company, One Exam for MSBs

Guest: Melissa Puccinelli, CSBS Manager of Non-Bank Supervision

Introduction

If you’ve been paying attention to state supervision lately, you’ve probably heard the phrase “Vision 2020” several times. Vision 2020 has been an initiative to modernize and enhance the state supervisory system in a way that makes licensing, examination and supervision easier, safer and more effective.
When the work launched in 2018, there was a lot of public outreach. State regulators held town halls, hearings and more to get feedback from industry leaders, academics and policymakers alike. Then, CSBS and the states got work.

Since then, there have been some significant landmarks of progress. Every US state assigned an innovation contact to work with new companies and new technologies. Over half of states signed onto a multistate licensing agreement. The State Examination System launched, making the entire examination process easier to conduct remotely and collaboratively.

But now we’re at a point where the fruits of all these labors will really come to bear. With new technology, new data aggregation tools and new examiner resources in place, the state system is poised to create the most integrated and interconnected supervisory network ever. This network will let an examiner leverage real-time data and information about a company and conduct better examinations. It will allow for states to collaborate seamlessly, accept examination data from other states more often and conduct more joint exams. And, this network will reduce examination frequency and burden on supervised companies.

Over the next several months, I’ll be meeting with the experts behind these changes. We’ll be reviewing some brand-new advancements, announcing new changes and explaining how all the technology the state system has developed is building toward a single system and a single philosophy we like to call “Networked Supervision.”

So today, we will be discussing just one piece of this broader network. I meet with an expert who works on Money Services Businesses to chat about a new initiative known as “One Company, One Exam.” Spoiler alert: it’s a whole heck of a lot like what it sounds like.

I’m Matt Longacre, and this is Simply Stated.

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State Regulators Advise Licensees to Renew by November 30

State regulators encourage individuals and businesses that provide mortgage, money transmission, debt collection and consumer financial services to renew their licenses in NMLS by November 30 to avoid processing delays.

“We’re encouraging licensees to submit early this year because of the operational challenges that businesses and states are facing due to the pandemic,” said Kelly O’Sullivan, chair of the NMLS Policy Committee and deputy commissioner of the Montana Division of Banking and Financial Institutions. “We want to make sure that licensees renew on time so that individuals and businesses can operate uninterrupted in the new year.”

States are also increasing their use of NMLS features that free-up agency resources to focus on complex cases that require additional review, including more electronic documentation collection in NMLS.

More than 180,000 MLOs and companies are licensed to conduct business, accounting for more than 618,700 state licenses to be renewed. MLOs must also have completed annual continuing education requirements.

Renewals in most states run November 1 to December 31.

“Licensees submitting renewal requests in November gives states enough time to process the renewal and individuals the opportunity to resolve any issues that may arise. Early renewal applications are far more likely to be approved in time to keep doing business on January 1,” O’Sullivan continued.

NMLS offers free, online courses and state-specific checklists to guide licensees through
the process by going to www.nmls.org and clicking the green Annual Renewal button.

Federally registered MLOs and institutions must also renew their registrations via NMLS by December 31. More information for federal registrants is available on the NMLS Federal Registry Resources page.

American Bankers Association Teams Up With Core Providers to Expand Access to Banking Services

This month the American Bankers Association called on every bank in the country to consider offering Bank On-certified accounts to expand access to banking services and reduce the number of unbanked and underbanked Americans. In urging all banks to join ABA in this financial inclusion initiative during his opening remarks at ABA’s Unconventional Convention, ABA President and CEO Rob Nichols also commended the nation’s core processors, which provide the operational backbone behind many banks, for committing to make it easier for their bank customers to offer the highly affordable accounts that meet the Bank On National Account Standards.

“Despite a strong and intensely competitive financial services industry, we know that millions of Americans – and families of color in particular – remain outside the mainstream banking system and are missing the economic opportunities that come from having a bank account,” said Nichols. “By offering Bank On-certified accounts with the help of their core providers, America’s banks can open doors of opportunity to new and returning customers, demonstrating the banking industry’s commitment to financial inclusion.”

First inspired by the FDIC’s Safe Account Pilot, the Bank On National Account Standards were created by national nonprofit organization the Cities for Financial Empowerment Fund—or CFE Fund—and are widely supported by consumer advocates and the
financial services industry. Key account features include low costs, no overdraft fees, robust transaction capabilities such as a debit or prepaid card, and online bill pay.

More than 40 banks offer Bank On-certified accounts today, and in its 2019 Bank On National Data Hub report, the St. Louis Federal Reserve noted that “the demand and use of Bank On accounts is strong and continues to grow,” with more than 3.4 million accounts opened to date across just 10 reporting institutions. Bank On accounts, which can provide CRA service credit for banks, not only bring new customers into the banking system (75% of Bank On accounts opened in 2018 were opened by new customers), but the accounts “perform in a manner consistent with that of a bank’s existing customer base and at similar costs.”

“We welcome ABA’s strong support for the Bank On movement,” said Jonathan Mintz, President and CEO of the CFE Fund. “By urging banks of all sizes to join this initiative, particularly community banks, we can welcome millions of Americans into the banking system safely and efficiently. We also deeply appreciate the critical role the nation’s core providers are playing to make it happen.”

“Old National has been a champion of the Bank On program since 2008, and today our Bank On-certified EZ Access account allows us to bring in new clients who otherwise might not have enjoyed the safety and convenience of a bank account,” said Jim Ryan, chairman and CEO of Old National Bank in Evansville, Ind. “It’s no exaggeration to say the Bank On program has the power to change lives, and Old National is pleased to join the ABA in encouraging other institutions to join the Bank On movement.”

While many banks may already offer accounts that meet the Bank On Standards, they may not realize they qualify for a Bank On certification. For those banks that don’t currently offer accounts that meet every Bank On standard, the nation’s core providers including Fiserv, FIS, Jack Henry, Finastra and 16 other core companies are committing to simplify the process for their bank customers to create and offer accounts that qualify for Bank On certification. ([See full list here](#)) Banks interested in learning more about Bank On account certification or want to have their current account offerings certified can
visit https://joinbankon.org/certify.

“The core providers deserve credit for stepping up to support this important initiative and their bank customers,” Nichols said. “Their partnership will make it easier for banks across the country to offer these accounts and join the Bank On movement.”

ABA will work closely with the CFE Fund, the core processors and other stakeholders to remove other obstacles limiting access to banking services in the country.

To learn more about ABA’s commitment to inclusive banking, visit aba.com/InclusiveBanking.

The ABA Foundation also has helpful resources and information for consumers interested in opening a bank account at aba.com/BankAccounts.

Panel Discussion: Community Banking in the Time of COVID-19
At the final session of the 2020 Community Banking in the 21st Century Research and Policy Conference, Mississippi Commissioner of Banks Rhoshunda Kelly was joined by Jill Castilla of Citizens Bank of Edmond, Kenneth Kelly of First Independence Bank and Mayor of Little Rock, Arkansas Frank Scott, Jr. to discuss how the events of the past year – from COVID-19 to the push for racial equality – have impacted the way community banks do business.