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Washington, D.C. –?New technology is not just rapidly transforming financial services, it also is creating the state financial system of the future, according to Conference of State Bank Supervisors’ Chair Melanie Hall, who [testified](#) today before the House Financial Services Committee Artificial Intelligence Task Force.

“Technology has been an important part of the state system’s evolution and will continue to play a critical role as financial transactions become faster and more complex,” said Chair Hall, who also serves as the commissioner of Montana’s Division of Banking and Financial Institutions. “CSBS is focused on finding new and improved ways for our data, technology and analytical products to help state regulators mitigate risk and protect consumers from bad actors.”

State regulators charter and supervise approximately 79% of all U.S. banks, representing more than \$8.4 trillion in combined assets, as well as half of all small business lending and two-thirds of all agriculture lending in America. State regulators also are the primary licensing authority for nonbank financial services providers, including mortgage lenders, money transmitters and consumer lenders, through the Nationwide Multistate Licensing System.

In her testimony, Hall shared how states are focused on building the regulatory system of the future through [Networked Supervision](#), a strategy designed to create a streamlined state system through greater use of technology and enhanced state-to-state and state-to-federal partnerships.

The results of Networked Supervision are already being realized through a number of developing platforms and initiatives, including the State Examination System, the Model Money Transmission Modernization Act and the Multistate Money Services Businesses Licensing Agreement.

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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.?