CSBS President and CEO Brandon Milhorn Statement on the United States Department of the Treasury Remarks at Chicago Payments Symposium

PRESS RELEASES

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“For more than 100 years, the states have effectively overseen a dynamic money transmission marketplace that promotes strong consumer protections, fosters innovation, and maintains access to popular and convenient financial services.[1]

The states license money transmitters, supervise their financial condition, require safeguarding of customer funds, respond directly to consumer complaints, and, when appropriate, take enforcement actions against firms that fail to meet established requirements. In 2021, working with industry, the states crafted a Money Transmission Modernization Act to enhance regulatory standards applicable to the industry. Twenty-two states have adopted the MTMA, covering companies with 99.7% of customer funds. The states regularly coordinate supervision and enforcement actions for money transmitters that operate in more than one state, and individual states have authority to intervene immediately when necessary.

As the payments landscape continues to evolve, with new entrants and new technologies, it is vital that all participants engage in an iterative and thoughtful process to identify and address risks to consumers and financial stability. However, the absence of a federal regulator does not, in and of itself, constitute a regulatory gap. Any conversation to address perceived gaps should begin with a comprehensive understanding of the existing, robust state regulatory framework.

The United States has the most diverse and consequential money transmission network in the world, and the states welcome the perspective of the United States Department of the Treasury and other federal agencies on this important topic. We look forward to working with them to continue to protect consumers and to promote a competitive and innovative payments system.”

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The Conference of State Bank Supervisors 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.

Endnotes

1 Defined business activities licensed through the NMLS available here.