THE CONFERENCE OF STATE BANK SUPERVISORS

2026 State Legislative Highlights (11/1/2026)

Banking

- South Carolina created the "Guarantee Banking Act" to prevent discrimination in banking services
- Delaware enacted a banking code modernization act
- Nebraska adopts an assessment-based fee model for financial institution examinations

Consumer Finance/Commercial Lending

- Oregon opts-out of DIDMCA Sec. 521 for consumer loan interest rates
- Illinois enacted the “Buy Now Pay Later Consumer Protection Act”
- Vermont adds licensing for commercial sales-based financing and account receivable factoring

Cryptocurrency/Digital Assets

- Alabama, Delaware, Florida, Georgia and Maryland have enacted state regulatory frameworks for payment stablecoins.
- California removed provisions related to stablecoin from the Digital FInancial Assets Law in response to the GENIUS Act

Virtual Currency Kiosks

- Twenty-three states enacted laws governing the operations of VC Kiosks including a ban of kiosks in Hawaii, Indiana, Minnesota and Tennessee

Mortgage Lending and Servicing/Non-Depository Supervision

- Maine regulates the making of shared appreciation mortgage loans
- Indiana repealed the statutes governing first lien mortgage loans and recodified the statutes into a new Title 37
- Rhode Island enacted the Prudential Standards for Nonbank Mortgage Servicers

2026 State Legislative Enactments (November 1, 2026)

Artificial Intelligence

Connecticut (S.B. 5) and **Illinois** (S.B. 315) have enacted comprehensive laws regulating the use of artificial intelligence.

The **Connecticut** law, the "Connecticut Artificial Intelligence Responsibility and Transparency Act" creates distinct obligations for employment-related automated tools, consumer chatbots, frontier-model developers, generative-AI provenance, and online platforms used by minors.

In **Illinois**, the "Artificial Intelligence Safety Measures Act" will require large AI developers to publicly disclose how they plan to mitigate potentially "catastrophic risks" posed by advanced frontier AI models.

Additionally,in **Colorado**, the legislature replaced existing AI statutes with a more streamlined framework focused on transparency and disclosures (S.B. 26-189). The new enactment replaces the original law's broad "high-risk artificial intelligence system" and "algorithmic discrimination" framework with a narrower regime focused on "automated decision-making technology" (ADMT) that processes personal data used to "materially influence" a "consequential decision." The bill also shifts compliance obligations away from broad governance and impact assessments and toward targeted consumer disclosures, post-adverse-outcome explanations, correction rights, and meaningful human review.

Banking

Delaware (S.B. 16) Enacts the "Delaware Banking Modernization Act of 2026." The code revision includes:

- Addition of definitions of digital assets and virtual currency
- Expansion of the State Bank Commissioner's authority and scope allowing the Commissioner to:
    - Contract for additional independent consulting, legal and other professional services as may be required
    - Adopt regulations to carry out the Commissioner's authority including adoption of different forms of applications for a certificate of public and advantage with different requirements based on the underlying risks of the proposed activities of a bank or trust company
- Modernization of corporate governance and organizational requirements for banks and trust companies
- Facilitation of interstate trust company operations and conversions:
    - With prior written approval of the Commissioner:
        - A Delaware state trust company may establish one or more branch offices in other states pursuant to an interstate merger or conversion transactions when

the Delaware trust company is the resulting trust company. Branch locations may conduct any activity that is permissible for a Delaware entity and permissible under the laws of the state where the branch is located
    - An out-of-state state bank may convert into a Delaware state bank or an out-of-state trust company may convert into a limited purpose trust company
- Expansion of the authority of out-of-state financial institutions to act as fiduciaries.

District of Columbia (DC B 26-0032) Enacted the Uniform Special Deposits Act.

Georgia (H.B. 945) Amends the notification requirements when a merger or consolidation would result in a bank or trust company that would not be chartered by the Department and authorizes the Department to, for good cause shown, object to the transaction before the consummation of the transaction. In the event of an objection, the acquisition cannot be completed without the parties obtaining the approval of the Department.

Kansas (S.B. 139) Amends numerous sections of the state banking code:

- Requires notification to be provided to the Commissioner regarding changes to key leadership positions of banks and trust companies
- Exempts banks with federally insured deposits that are chartered in Kansas, in another state, or by the federal government from first having to obtain authority from the Commissioner to lawfully engage in the banking business
- Provides that a federally insured bank or credit union with authorization from another state or the federal government to engage in trust business in Kansas is exempt from the provision that makes it unlawful for any individual, firm, or corporation to advertise, publish, or otherwise communicate that such entity is engaged in the trust business without first having obtained authority from the Commissioner
- Extends the Commissioner's authority to exempt from the application process a trust company proposing to relocate an existing trust service office to less than ten miles from the trust company's existing location (changed from allowing such an exemption only for a relocation less than one mile from the existing location). If an exemption is granted, the bill requires each trust company to document the written action taken by the board of directors of the trust company approving the proposed relocation of the trust office and all other required regulatory approvals
- Allows the Commissioner to require any non-resident trust company to meet the greater of the requirements stated under the Banking Code or the laws of the non-resident trust company's home state required for a Kansas trust company to do business in the non-resident trust company's home state
- Amends the definition of a "bank holding company" to specify that a hearing to determine whether a bank is a holding company must be conducted in accordance with the Kansas Administrative Procedure Act as must an administrative hearing to determine whether a cease-and-desist order should be issued by the State Banking Board.

Louisiana (S.B. 521) Provides that in a bank merger or consolidation, the surviving or resulting bank may use the name of the nonsurviving bank as a division of the surviving or new bank. Along with other

disclosure requirements, the bank must clearly disclose that the facility is a branch of the insured institution and use the legal name of the insured institution for legal document, loan agreements, and other similar documents.

Mississippi (S.B. 2383) Revises the definition of an "electronic terminal" and defines the term "interactive teller machine." An electronic terminal is not a branch and is not subject to state licensing requirements. The establishment or decommission of an electronic terminal does not require prior approval of the Commissioner of Banking and Finance.

The law also revises procedures for a state bank to declare and pay dividends, and to require the approval of the Commissioner of Banking and Finance rather than the State Comptroller for renewals or amendments to the charter or article of incorporation of a banking corporation.

Nebraska (L.B. 836) Shifts the Department of Banking and Finance away from a standard hourly rate for financial institutions examinations and changes to an assessment-based model that considers factors such as asset size, origination volume, servicing volume or transmission volume. For non-bank entities, the assessment factors will be based on the total volume of transactions, makers, loan origination, loan servicing, money transmission, or other appropriate measures of licensable activity depending upon the licenses or registrations held by the entity.

New Hampshire (H.B. 1207) Eliminates regulator examination fees for state-chartered credit unions, trust companies ($23,000) and family trust companies ($11,000) and replace them with an annual fixed base fee. The law also increase fees for, among other filings, new state bank charters, charter conversions, new branches, and letter of no objection.

New Hampshire (H.B. 1502) Enacted the Uniform Special Deposits Act.

Oregon (H.B. 4052) Provides de novo banks with up to $1 million in state tax credits annually for three consecutive years to help offset organizing costs.

Rhode Island (H.B. 7265) Enacts the Rhode Island Special Deposits Act.

Fair Access to Banking

South Carolina (H.B. 5538) Enacts the "Guarantee Banking Act" that prohibits: (1) a large bank ($100 billion and over in assets), or (2) payment processor, credit card company, credit card network, payment network, payment service provider or payment gateway that has processed more than $100 billion, from discriminating in the provision of "covered financial services" based on a person's constitutionally protected political or religious views, speech or lawful economic activities.

"Covered financial service" means: (i) depository accounts including, but not limited to, checking accounts, savings accounts, or NOW accounts; (ii) money transmission including, but not limited to, checking, payment services, ACH, or credit card networks; or (iii) credit including, but not limited to, personal loans, mortgages, business loans, or credit cards.

If a financial institution takes an adverse action against a person, that person may request a statement of specific reasons within ninety days after receiving notice of the refusal to provide service, restriction of service, or termination of service.

Interchange Fees

Alabama (S.B. 221) Excludes credit card transaction fees added to the price of goods or services purchased by credit or debit from the calculation of sales and use taxes.

Colorado (S.B. 26-134) Governor Polis **vetoed** this bill that would have prohibited credit and debit card companies from charging interchange fees on the sales tax portion of transactions. The Governor cited legal risks and implementation concerns, specifically noting the ongoing litigation in Illinois.

Illinois (S.B. 3645) Extends the effective date of the Illinois Interchange Fee Act to July 1, 2027.

Commercial Lending

California (A.B. 2116) Expands the scope of the California Financing Law to require commercial lenders to obtain a license from the DFPI. The law applies to loans of $500,000 or less, including merchant cash advances, factoring, and other accounts receivable purchase transactions. The new law replaces the current registration requirement.

Vermont (H.B. 648) Imposes licensing and disclosure requirements and account-debiting restrictions for providers of commercial sales-based financing and account receivable factoring ("commercial financing"). The law defines a "provider" as a person who provides or will provide commercial financing to a recipient or who extends a specific offer of commercial financing to a person or to the person's authorized representative. A provider also includes a person who solicits prospective recipients of commercial financing or who presents specific offers of commercial financing on behalf of a third party. Such providers that solicit borrowers on behalf of a third party must also obtain a loan solicitation license. Among other things, the license provision does not apply to commercial financing transactions of $1 million or more that are not primarily for personal, family, or household purposes.

Consumer Finance

Earned Wage Access

Maryland (S.B. 94) Amends the law governing EWA products by prohibiting a lender from accepting a tip from a consumer or giving the option to provide a tip.

Wisconsin (A.B. 1025) Amends the EWA licensing framework to set caps on fees for delivery or expedited delivery of proceeds of greater that $5 for any advance equal to or less than $75, or $7.50 for an advance of greater than $75. Beginning January 1, 2030, and every five years thereafter, the law indexes the maximum fees to inflation.

Buy Now Pay Later

Illinois (S.B. 3561) Enacts the "Buy Now Pay Later Consumer Protection Act" to require BNPL providers to obtain a license from the Division of Financial Institutions by January 1, 2028. "Buy-now-pay-later loan" or "loan" means closed-end credit provided to a consumer at the time of a transaction in connection with the consumer's particular purchase of goods or services that:
(1) is payable in 4 or fewer installments; or
(2) has a term of 120 days or less.

"Buy-now-pay-later loan" or "loan" includes any other loan identified by the Secretary by rule. "Buy-now-pay-later loan" or "loan" also includes (i) a buy-now-pay-later loan payable in one or more installments without any interest or finance charge and (ii) a buy-now-pay-later loan with either interest or finance charges or both.

DIDMCA Opt-Out

Oregon (H.B. 4116) Provides that Oregon opt-out of Section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 that will apply to consumer finance loans made in the state. The consumer finance loans are loans of $50,000 or less.

Licensing Provisions

Illinois (H.B. 5384) Permits the Secretary to set fees for sales finance companies and consumer installment lending licensees by rule; requires an annual meeting between the sales finance and consumer installment lending industries and the Department to discuss industry developments, fees, anticipated rules or other issues and removes the requirement that the Department examine each licensee annually.

Iowa (H.F. 2329) Raises the interest rate cap on consumer credit loans to 36 percent. The previous law included an interest rate scale of between 3 percent and 1 percent per month depending upon the amount of the loan.

Minnesota (H.F. 4188) The definition of a consumer small loan lender is amended to include engaging in the business of arranging consumer small loans that includes, but is not limited to, any substantial involvement to facilitate, marker, generate leads for, underwrite or collect a consumer small loan.

Missouri (H.B. 2423) Amends current law to change the registration requirement for earned wage access providers, premium financing companies consumer credit lenders, and financing institutions (retail installment lenders) to a license requirement. The licensing period will run from July 1 to June 30 each year for EWA providers, premium finance companies, and consumer credit lenders, and January 1 – December 31 for financing institutions. The licensing fees for these companies is changing to a sliding scale based on number of locations and accounts.

The law also creates a new fund in the state treasury, the "Consumer Licensing Fund" which will consist of related licensing and examination fees and used solely by the Division of Finance for paying all costs incurred by the Director not otherwise required to be deposited in the Finance, Mortgage, or Savings

and Loan Supervision funds. Any monies remaining at the end of the funding period will not revert to the general revenue fund.

Nebraska (L.B. 717) Amends the state's installment loan law to increase the threshold loan amount for licensing from $25,000 to $100,000 for consumer-purpose loans with a term of 6 months or more with an interest rate in excess of 16%. Licensed lenders are prohibited from making loans for a period in excess of 145 months.

Litigation Funding

Georgia (H.B. 945) Requires litigation financier registrants to submit registrations through NMLS. Adds new provisions affecting litigation financiers such as annual registration, criminal history record checks, and administrative penalties including civil penalties and ability to issue cease and desist orders.

New Hampshire (H.B. 1384) Prohibits a person or entity from entering into a commercial litigation financing agreement with a foreign entity of concern (foreign adversary) or a person of concern or any entity controlled by the foregoing persons or entities.

New York (S.B. 8808) (A.B. 9442) Requires registration with the Department of Financial Services for persons engaging in litigation funding. Registrants may provide no more than $500,000 to a consumer in exchange for the consumer's agreement to pay the registrant from potential proceedings paid to resolve the consumer's legal claims. The law details registration requirements, (disclosures, contract terms, fee restrictions and penalties for violations.

North Carolina (H.B. 315) Enacts a comprehensive prohibition on third-party litigation financing in civil cases. "Litigation investment" is defined as the provision of money—whether as a direct payment, advancement, loan, investment or otherwise" for fees, costs, or expenses related to a pending or potential civil proceeding in exchange for a right to repayment or other consideration contingent on the outcome of that proceeding. The law contains several exemptions including attorneys providing legal services on a contingency-fee basis and law firm advancing litigation costs and expenses consistent with professional conduct rules.

Ohio (H.B. 105) Repeals the law governing non-recourse civil litigation advance contracts and replaced it with two subsets of regulations: one for commercial litigation financing agreements and another for consumer legal funding agreements. Companies and financiers must register with the Attorney General prior to commencing business in Ohio. Registrants are prohibited from contracting with persons or entities not domiciled in the U.S. or contracting for proceeds of a claim that is financed by such person or entity.

Utah (H.B. 280) Defines "commercial and consumer maintenance funding agreements" and provides that the providers of these arrangements must register with the Division of Consumer Protection.

Vermont (H.B. 648) Changes the existing registration requirement for consumer litigation funding companies to a license requirement.

Cryptocurrency

Louisiana (S.B. 163) Provides that if any federal law related to the licensure of virtual currency business activities preempts any provision of the Virtual Currency Business Act, then any provision of La. law authorizing the preempted activity shall be deemed null, void, and without force or effect to the extent of the conflict with federal law. The law also repeals the existing sunset date of the Virtual Currency Business Act.

Louisiana (S.C.R. 68) Creates the Task Force on Blockchain and Digital Innovation to study the use, development, regulation, economic impact, and potential risks and benefits of blockchain technology.

Minnesota (H.F. 3709) Allows banks and credit unions to provide virtual currency custody services in a fiduciary or nonfiduciary capacity. Notice must be sent to the Commissioner with 60 days' written notice before providing the custody services. The currency and controls must be operated legally and segregated from the bank's assets; third-party service providers may be engaged to facilitate the custody services

Nebraska (L.B. 717)

- Removes the restriction that any US currency coming into an account of a digital asset depository institution must be held in a depository institution that maintained a main-chartered office in this state, any branch in this state, or any branch of the financial institution which maintained the main-chartered office in this state prior to becoming a branch of such financial institution. All monies must be held in an FDIC insured institution
- At the discretion of the Director, a digital asset depository institution may be chartered if it meets the capital and surplus requirements for a substantially similar federal charter, license or regulatory structure as determined by the Director
- Controllable electronic record kiosks transactions now include funding a stored value account that offers the ability to, and is utilized to, purchase a controllable electronic record.

Rhode Island (S.R. 2198) Creates a legislative commissioner to study blockchain and cryptocurrency and requires a final report by January 2028.

South Carolina (S.B. 163) Prohibits a governing authority from accepting or requiring payment using Central Bank Digital Currency.

State Payment Stablecoin Acts

Alabama (H.B. 259) Enacts the Financial Innovation and Market Expansion Act to set up a state regulatory framework for payment stablecoins with licensing by the Department of Securities.

California (S.B. 97) Revises the state's existing Digital Financial Assets Law of 2023 to repeal provisions specifically restricting stablecoin storage and use. Recognizing the preemptive elements of the GENIUS

Act, the law removes the stablecoin chapter from the DFAL to "remove short-term administrative burden on DFPI and businesses subject to DFAL related to compliance."

Delaware (S.B. 19) Creates the "Delaware Payment Stablecoin Act" to create a licensing framework for payment stablecoin issuers and digital asset service providers operating with or on behalf of Delaware residents. The legislation is designed to closely align with the federal GENIUS Act and requires issuers to maintain reserve assets on at least a one-to-one basis using highly liquid assets. Eligible reserves include U.S. currency, short-term U.S. Treasury bills, qualifying repurchase agreements, and registered government money market funds.

Florida (H.B. 175) Creates a regulatory framework for payment stablecoin issuers, pursuant to the federal GENIUS Act. The law requires payment stablecoin issuers to obtain either a money services business license or, if the issuer is a trust company, a certificate of approval from the Office of Financial Regulation to issue payment stablecoin. Issuers must also comply with prudential requirements consistent with the GENIUS Act. The bill requires the Office of Financial Regulation to certify to the federal Stablecoin Certification Review Committee that the state regulatory regime is substantially similar to the federal regulatory regime.

Florida (S.B. 1568) Establishes the Florida Stablecoin Pilot Program within the Department of Financial Services which allows the Department to accept, purchase, hold, or disburse any payment stablecoins that are designated by the Department and meet certain criteria. The Legislative intent of the voluntary program is to yield benefits from acceptance of stablecoins for the payment of governmental fees.

Georgia (H.B. 1272) Enacts the Payment Stablecoin Act to establish a licensing regime for payment stablecoins designed to align with the GENIUS Act. The law becomes effective on the earlier of January 18, 2027, or 120 days after the issuance of final implementing regulations. The Department is authorized to license entities incorporated under Georgia law or the laws of a foreign country to issue payment stablecoins.

Maryland (H.B. 1355, S.B. 662) Enacts the "Maryland Stablecoin Act," establishing a regulatory framework for entities in the state to serve as state issuers of stablecoins or as "payment stablecoin services institutions." The law, which takes effect January 1, 2027, authorizes the state's Commissioner of Financial Regulation to issue certificates to nondepository trust companies and credit union service organizations seeking to engage in payment stablecoin-related services, including exchanging payment stablecoins for monetary value, providing custodial or safekeeping services, and managing reserve assets for permitted payment stablecoin issuers (PPSIs).

Bitcoin State Investment

Indiana (H.B. 1042) Establishes a statutory framework governing digital assets and related blockchain activity, while also introducing cryptocurrency investment requirements for certain state-administered retirement programs.

Data Security

Connecticut (H.B. 5208) Requires all licensees, banks and credit unions to adopt a written program establishing standards for reasonable data security safeguards and to file an initial notification with the Department of Banking within 3 business days after they know or have reason to know of a qualifying data security incident.

Mississippi (H.B. 1596) Enacts the "Data Security for Money Transmitters Act" to impose data security, consumer protection, and operational requirements on licensed money transmitters and virtual currency kiosk operators. The law requires licensees to develop and maintain a comprehensive written information security program proportionate to the licensee's size and complexity, designate a qualified individual to oversee the program, conduct risk assessments, and report annually to the board of directors. Licensees must notify the Commissioner within 72 hours of discovering the unauthorized acquisition of unencrypted customer information

Debt Collection

New York (S.B. 8830) Amends the provisions on coerced debt to refine and implement new protections for victims. The law clarifies and narrows the definition of "coerced debt" to consumer debt incurred through duress, intimidation, threats, force, or similar conduct within specific relationships, including family members, intimate partners, caregivers, and traffickers.

Vermont (H.B. 385) Revises the definitions and provisions regulating coerced debt, prohibiting a person from causing another person to incur coerced debt. Substantiated coerced debt is not enforceable against the debtor. Within 10 business days following receipt of a debtor's statement of coerced debt and adequate documentation, a creditor must: (1) cease all collection activities; (2) notify the debtor of such action pending further review of the claim; and (3) notify any credit reporting agency about the dispute. A determination as to the accuracy of the claim of coerced debt must be made within 30 days.

Fair Lending

California (A.B. 801) Enacts the California Fair Lending Examination Act, establishing recurring fair lending examinations for specified state-chartered banks, credit unions, and residential mortgage lenders. Banks and credit unions must be examined at least once every four years for compliance with nondiscrimination laws applicable to mortgage lending. For residential mortgage lender and servicer licensees, the law adds nondiscrimination review to the existing examination required at least every 48 months. The law makes a violation of an applicable nondiscrimination law a violation of the relevant financial code division, which gives the commissioner enforcement authority.

The DFPI may also accept exams conducted by other state or federal agencies, Fannie Mae or Freddie Mac in lieu of conducting its own, unless the exams do not provide the information needed and may

conduct targeted exams for due cause and exempt or reduce exams for institutions that showed full compliance in their most recent exam.

Illinois (S.B. 3777) Amends the Illinois Human Rights Act (Act) to prohibit not only intentional discrimination in lending and credit card issuance, but also the use of facially neutral underwriting criteria or methodologies that produce discriminatory effects. The Act applies to, among others, financial institutions and credit card issuers.

Financial Exploitation

Georgia (H.B. 945) Set standards and procedures to protect disabled and elderly adults from financial exploitation including the appointment of a "trusted contact" and the ability of a financial institution that has reasonable cause to suspect that a transaction may involve financial exploitation to place a hold on the execution of the transaction on an account. A financial institution acting in good faith and exercising reasonable care to comply with the law is immune from any liability that might otherwise arise.

Illinois (H.B. 4911) Further specifies actions that can be taken by an employee of a financial institution when there is a determination of reasonable suspicion of financial exploitation for a disabled or elderly customer and provides that the institution and any employee is immune from criminal, civil and administrative liability for pausing a transaction or notifying the appropriate contact.

Kansas (H.B. 2591) Defines "financial exploitation," and allows a financial institution to, in good faith and with reasonable cause, report any suspected exploitation of an adult account holder to a law enforcement agency and notify a trusted contact of the account holder. A temporary hold may be placed on a reported transaction or disbursement and the law provides for immunity for the bank/employees from criminal or civil actions.

Maryland (S.B. 753) Permits a fiduciary institution to delay or deny an account disbursement of an eligible adult (65 or older or a vulnerable adult) if the institution reasonably believes that the disbursement may result in the financial exploitation of the adult.

Mississippi (H.B. 1596) Money transmitters licensees must provide annual training materials to each authorized delegate on how to recognize financial abuse and exploitation of an elder adult and appropriate responses if the delegate suspects a fraudulent transaction where an elder adult is the victim of such exploitation.

Nebraska (L.B. 838) Expands current law on financial exploitation of vulnerable adults or senior adults by formalizing the role of an authorized contact to create a safe harbor for financial institutions.

South Dakota (H.B. 1238) Authorizes an employee of a financial institution to, among other actions, delay or refuse a transaction or withdrawal or disbursement of funds, or prevent a change in ownership of an account of the consenting senior or vulnerable adult when the employee reasonably believes, or has information from a state or law enforcement agency, that financial exploitation of the person may

occur. A financial institution and its bank holding company and any employees are immune from any civil, criminal, or administrative liability when in compliance with this law.

Vermont (H.B. 385) Permits a financial institution with reasonable belief that a customer is or has been the victim of financial exploitation to delay or refuse a transaction, a change in ownership of the account, a transfer of funds, or a change in the designation of the account's beneficiaries. When carrying out authorized protective actions, a financial institution will be protected from any liability.

The Commissioner of Financial Regulation is directed to collect data about the number and dollar amount of suspicious transaction holds and report to the Legislature on or before January 1, 2027, and annually thereafter.

Money Laundering

California (S.B. 1208) Expands the crime of money laundering to include digital assets, and establishes a process by which a law enforcement officer or prosecuting agency may seize digital assets that contain proceeds of a crime, are traceable to a crime, or have been used to facilitate a crime, as specified, for the purpose of returning those assets to a victim.

Wyoming (H.B. 43) Creates the criminal offense of money laundering and provides that it is a felony punishable by up to 10 years imprisonment, a fine of up to $10,000, or both. These provisions do not apply to federally insured financial institutions unless an employee engages in money laundering.

Money Transmission/MTMA

California (S.B. 505) Prohibits a money transmitter from allowing a user login without implementing all of the following:

- Two-factor authentication, multifactor authentication, or equivalent
- A process for reverifying the identity of the user, device, or system
- The ability for a user to report an error or suspected fraud.

Illinois (H.B. 5384) Permits the Secretary to set fees for currency exchange licensees by rule and removes the requirement that the Department examine each licensee annually.

Maryland (S.B. 261) Amends the money transmission licensing law to exempt agents of the payor that provide payroll processing services for which the agent would otherwise need to be licensed as a money transmitter.

Minnesota (H.F. 4188) A money transmitter licensee engaged in virtual currency business activities is not required to subtract virtual currency from total assets in the licensee's calculation of tangible net worth if: (1) the day-to-day business includes incurring obligations to customers denominated in the virtual currency; (2) the virtual currency asset has a corresponding liability denominated in the virtual currency; (3) the virtual currency is unencumbered; and (4) the virtual currency assets that are not

subtracted from total assets are limited to the virtual currency assets that have a corresponding liability denominated in the same virtual currency.

Nebraska (L.B. 717) Provides that the Money Transmitter Act does not apply to a person that provides payroll processing services if the person employs less than 20 employees or provides payroll services for less than 50 employees residing in Nebraska, and a key individual or control person of the company has not been convicted of a felony; has never had a financial services or professional license revoked, and does not otherwise engage in the business of money transmission.

Vermont (H.B. 648) Adds a definition of "virtual currency" within the money transmission statutes and adds virtual currency business activities within the scope of the license.

Money Transmission Modernization Act

Alaska (S.B. 86) Enacts the full MTMA with virtual currency title effective July 1, 2027

Delaware (S.B. 18) Enacts the full MTMA with virtual currency title effective the earlier of July 6, 2027, or publication of final regulations.

Louisiana (H.B. 1230) Enacts the full MTMA effective July 1, 2026.

Oklahoma (H.B. 3521) Enacts the full MTMA effective November 1, 2026.

Remittance Fees

Tennessee (H.B. 2502) Broadens Tennessee's sales and use tax to include a $10 minimum tax plus 2 percent of the amount of each cross-border payment in excess of $500 processed by a licensed money transmitter.

Mortgage

Prudential Standards for Nonbank Mortgage Servicers

Rhode Island (H.B. 7867) Enacts the Prudential Standards for Nonbank Mortgage Servicers. The financial and corporate governance provisions apply to servicers (1) with portfolios of 2,000 or more one-to-four residential mortgage loans serviced or subserviced for others, excluding whole loans owned and loans being interim serviced prior to sale as of the most recent calendar year and (2) that operate in 2 or more states.

Shared Appreciation Agreements/Home Equity Investments

Maine (L.D. 1901) Defines a shared appreciation mortgage loans or home equity investments as a mortgage loan rather than an investment contract and amends the consumer credit code to classify such loans as consumer loans and residential mortgage loans subject to the state's licensing and disclosure requirements.

Mortgage Licensing/Operational Provisions

Connecticut (H.B. 5208) Requires financial institutions, including mortgage lenders, to send notification to a mortgage loan applicant that standard homeowners insurance policies do not cover flood damage. The notice must be provided not later than the date of closing if the mortgage loan is an open-end line of credit or home equity loan, or 10 days before the closing for other mortgage loans.

Connecticut (S.B. 218) For mortgage loans made after January 1,2027, a mortgagee must accept a partial prepayment from a mortgagor to reduce, in whole or in part, the principal amount owed. A payment will not be considered a prepayment unless all monthly payments due have been paid at the time of the prepayment.

Indiana (S.B. 169) Repeals the statutes governing subordinate lien mortgage lending, small loans, mortgage rescue protection fraud and home loan practices and the Uniform Consumer Credit Code and recodifies the statutes into a new Title 37.

Kansas (H.B. 2497) Limits the existing prohibition on prepayment penalties made during the first six months of origination to only apply to consumer-purpose home loans. Such an assessment is now permitted on business-purpose home loans.

Maryland (S.B. 784) Repealed a previous provision that had broadly exempted certain persons who merely acquire or are assigned mortgages, mortgage loans, and installment loans (and do not otherwise originate or service such loans) from Maryland's consumer credit laws, including the Mortgage Lender Law and Consumer Loan Law.

Minnesota (H.F. 4188) The surety bond amount for mortgage licensees has increased to $125,000 (was $100,000).

When acquiring servicing rights from a transferor servicer, the transferee must continue processing loan modification requests and honoring trial and permanent modification. A transferor servicer must inform the transferee if a loan modification is pending and obligate the transferee to accept the modification.

Minnesota (H.F. 3437) Existing prepayment penalty restrictions no longer apply to certain business-purpose loans. Specifically, the exclusion applies to a purchase money, first lien, or debt service coverage ration (DSCR) loan if: (1) the loan is made for investment purposes only; (2) no borrower, guarantor or cosigner intends to, or does, occupy the property; and (3) the seller does not continue to occupy the property after the sale. A DSCR loan is a mortgage that is not a qualified mortgage, investment property loan where the loan decision is based on the property's expected cash flow instead of the borrower's personal income.

Nebraska (L.B. 717) Licensed mortgage bankers and installment lenders originating a loan to refinance a mortgage are required to disclose whether or not a borrower will receive a net tangible benefit.

Oklahoma (S.B. 1061) Clarifies that "originated" means loans closed in the name of the mortgage broker or lender, and does not include brokered loans.

Rhode Island (H.B. 8104) Provides that prepayment penalties apply to only loans secured by owner-occupied dwelling houses of not more than four dwelling units.

Tennessee (H.B. 2382) Renames the Home Equity Conversion Mortgage Act to the Tennessee Reverse Mortgage Innovation Act. The Act generally removes HUD- and Fannie Mae-specific references to home equity conversion and reverse mortgages to establish a state-law framework for reverse mortgage loans that may be insured or uninsured, including private products, while retaining key consumer protections. A reverse mortgage loan may, but need not, be insured or guaranteed by a state or federal agency. Reverse mortgage loans that are not FHA-insured are authorized under the Act, if they comply with all provisions of the Act and applicable federal and state law. Certified counseling by an approved counselor is still required.

Virginia (H.B. 304) Provides that conventional home mortgage loans must include a loan assumption provision where the assumption is in connection with the granting of a decree of annulment or divorce and the assuming borrower qualifies for the loan. The mortgage lender must disclose the assumption provision to a loan applicant within 3 days of receiving a completed loan application.

West Virginia (S.B. 582) Permits mortgage brokers to submit its most recent compiled, reviewed or audited financial statement at the time of license application. Previously, the requirement was for an audited financial statement.

West Virginia (S.B. 427) Eliminates the requirement that licensees use the tangible net benefit form created by the Commissioner of Financial Institutions. Licensees must utilize a form but can demonstrate compliance without use of a prescribed format.

Payroll Processing

Connecticut (H.B. 5208) Requires the Department of Banking to study payroll processing methods used by financial institutions and the time required for payroll checks to clear. A report of findings and recommendations must be submitted to the Legislature by January 1, 2027.

Virtual Currency Kiosks

Alabama (H.B. 303) Enacts the "Cryptocurrency Kiosk Fraud Prevention Act" to set disclosures, receipt and refund requirements, identity verification, and enhanced due diligence for customers of 60 years of age or older. For new customers (first 30 days), the daily transaction limit is $1,000 or $10,000 in a calendar month. For existing customers, the daily limit is $10,500.

Alaska (S.B. 249) Enacts the "Virtual Currency Kiosk Act" to require kiosk operators to obtain a money transmitter license. The law includes fraud disclosures, receipt requirements, use of blockchain analytics and user identification.

Florida (H.B. 505) Creates the "Virtual Currency Kiosk Business" and requires virtual currency kiosk operators to obtain a registration with the Office of Financial Regulation. Daily transaction limits for new customers is set at $2,000 and for existing customers at $10,000. Florida money transmitter licensees are exempt from the registration requirement but subject to operating rules. Includes fraud disclosures, receipt requirements and refund policies.

Georgia (H.B. 945) Sets operating standards for virtual currency kiosks (licensed as money transmitters). Includes fee and fraud disclosures, receipt requirements, designation of a chief compliance officer and refund processes. Daily transaction limits are $2,500 for new customers and $10,000 for existing customers.

Hawaii (H.B. 1642) Prohibits the ownership, operation, or management of a digital financial asset transaction kiosk that accepts U.S. currency from a customer in exchange for a digital financial asset.

Iowa (S.F. 2296) Requires digital financial asset kiosk operators to obtain a money transmission license.

Indiana (H.B. 1116) Defines virtual currency kiosks and provides that a person may not operate a virtual currency kiosk in Indiana.

Kansas (H.B. 2591) Enacts the "Virtual Currency Consumer Protection Act" to require licensure as a money transmitter, set operating requirements for kiosk operators including disclosures, live customer support, and designation of a consumer protection officer for each operator. Fees are limited to $5 or 18 percent of a transaction. New customers are limited to $1,000 for the initial transaction and a maximum of $10,000 for the first 14 days following the initial transaction. Afterwards, transactions may be made for up to $10,500 per day. (Effective July 1, 2026)

Kentucky (S.B. 189) Requires virtual currency kiosk operators to obtain a virtual currency kiosk operator license from the Commissioner. The license will be managed through NMLS. Daily transaction limits for new users are $2,000 and a total of $10,500 during the 29 days immediately following the first transaction. Fees for a single transaction may not exceed the greater of $5 or 18 percent of the transaction amount. The law includes disclosure and receipt requirements, as well as detailed licensing requirements and enforcement authorities. The law will become effective April 30, 2027 and the Department is directed to issues regulations by January 1, 2027.

Louisiana (S.B. 287) Amends current law regulating virtual currency kiosks to add provisions regarding required refunds, live customer support and quarterly reports to the Commissioner of all cancellations and refund requests.

Maine (S.P. 811) Requires virtual currency kiosk operators to be licensed as money transmitters and authorizes registration through NMLS for all non-bank ATMs. Licensees must obtain a surety bond of no less than $500,000 and up to $5 million at the determination by the Commissioner. Net worth requirements are set at $500,000.

Maryland (S.B. 741) Alters the definition of "virtual currency kiosk operator" to include a person who installs or operates software that enables a stand-alone automated device provide virtual currency services. "Virtual currency services" will exclude the accepting or dispensing of cash in connection with a credit, deposit, or convenience account. Also clarifies that a virtual currency kiosk operator shall ensure the kiosk does not offer the same services as an automated teller machine.

Minnesota (H.F. 4188) Effective August 1, 2026, persons may not install, operate, or make available for use a virtual currency kiosk in the state. Operators must remove all kiosks from publicly available areas by December 31, 2026.

Mississippi (H.B. 1625) Requires virtual currency kiosk operators to obtain a money transmission license. Among other disclosures, an operator must require every customer to respond to the following requests: (1) name, job title and employer or company represented by the person instructing you to use this machine; (2) if not being instructed, click a box that says "I am not on the phone with anyone," and enter the purpose for which you are buying virtual currency; and (3) several other questions about the purpose or instructions for the transaction. If the customer responds "yes" to question 1, or to others that indicate fraud (such as sending the money to someone claiming to be law enforcement), the transaction will be declined and voided. Additional requirements for communication with a live customer service representative are in place for persons age 60 or older. Operators must notify the Department of Banking and Consumer Finance of any customer complaint or refund request within 72 hours of receipt.

Daily transaction limits are $1,000 for new customers (and not to exceed $5,000 during the 14-day period after the first transaction) and $7,500 for existing customers.

New Hampshire (S.B. 482) Adds consumer protection and operation requirements for digital asset transaction kiosks. The daily transaction limit for all customers is set at $2,000.

North Carolina (H.B. 920) Enacts the "Virtual Currency Kiosk Consumer Protection Act" to require kiosk operators to obtain a money transmitter license. Daily transaction limits are $2,000 for new customers and $5,000 for existing customers. Requirements include specified fraud and warning disclosures, an interactive fraud screen requirement, a prohibition on a QR code or scan-based login, live customer service, appointment of a compliance officer and a 48-hour mandatory hold on transactions initiated by a customer whose first transaction occurred within the past 7 days.

The law also mandates receipt and refund procedures and does not preempt the authority of a city or county to regulate kiosks through zoning, land-use controls or other ordinances that do not conflict with the provisions of the law.

South Dakota (S.B. 98) All virtual currency kiosk operators must be licensed money transmitters. The law includes receipt requirements, customer disclosures, live customer service with a toll-free number, refund procedures, and a daily transaction limit of $1,000 with a 30-day limit of up to $10,000.

Tennessee (S.B. 2251) Bans the operation of a virtual currency kiosks in the state and makes a violation a Class A misdemeanor. (Effective July 1, 206)

Utah (H.B. 72) Adds a new chapter, "Virtual Currency Kiosk Regulation" under the Division of Consumer Protection laws. Sets transaction limits to $2,000 during the first 3 calendar days for a new customer and up to $5,000 per day after the 3-day period. Provides for receipt requirements, disclosures, record keeping and law enforcement cooperation from kiosk operators.

The law also includes a requirement that each local law enforcement agency must have at least one officer who completes specialized cryptocurrency investigation training at least once every 3 years.

Vermont (H.B. 648) Effective July 1, 2026, prohibits the operation of a virtual currency kiosk in Vermont. All existing registrations will expire and terminate on that date. Until July 1, 2031, or a later date

required by the Commissioner, a virtual currency kiosk operator must maintain and make available upon request, all records required to be maintained prior to July 1, 2026.

Virginia (H.B. 665) Requires virtual currency kiosk operators to obtain a virtual currency kiosk operator license from the Commissioner. Bonding requirements will range between $1,000 and $25,000, to be determined by the Commissioner. Transaction limits are set at $2,000 per day for a new user, a maximum daily limit of $5,000, and maximum monthly transaction limit for any user at $10,000. Charges may not exceed 18 percent of the transaction value. The law includes disclosure requirements and a live customer service number. The law becomes effective July 1, 2027.

West Virginia (H.B. 5353) Amends the state's money transmitter licensing law by adding definitions related to virtual currency business activities and requiring operators and owners of virtual currency kiosks to obtain a money transmitter license. Regarding VC kiosks, the law adds detailed requirements on disclosures, receipts, refunds, and fees. The daily transaction limit is $1,000 for a new customer and $10,000 for existing customers. Also, adds MTMA language regarding the Commissioner's ability to provide interpretive guidance that identifies inconsistencies with any federal law.

Wisconsin (A.B. 968) Requires virtual currency kiosk operators to obtain a money transmission license from the Commissioner (this requirement was already in place through regulatory guidance). The law requires operators to verify an individual's identity before accepting payment from or dispensing funds to the customer and details the procedures for doing so. Daily transaction limits are set at $1,000 and the law includes disclosure, refund and receipt requirements.

Wyoming (H.B. 75) Virtual currency kiosk operators must obtain a money transmitter license. The Bank Commissioner is directed to issue implementing rules.