

**STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 05/04/15

**Action:** Do Pass And Be Placed On The Consent Calendar.

**Meeting Dates:** 04/27, 05/04

**Vote:**

Yeas: 10 - Barreto, Barton, Doherty, Esquivel, Evans, Heard, Holvey, Kennemer, Nosse, Weidner

Exc: 1 - Fagan

**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Authorizes Department of Consumer and Business Services (DCBS) to license through the Nationwide Multi-State Licensing and Registry System entities providing money transmission, debt management, and check cashing services. Allows DCBS to modify, by rule, licensing practices, procedures and information to meet Registry requirement. Aligns licensing or registration statutes in each program area to be based on the calendar year for first-year licensing or registration and subsequent renewals. Declares emergency, effective on passage; becomes operative 91 days after effective date.

**ISSUES DISCUSSED:**

- Use of cryptocurrency such as bitcoin
- Lack of regulation on mortgage loan servicers

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The Department of Consumer and Business Services (DCBS) licenses entities that engage in specific financial activities such as mortgage lending, non-bank consumer lending, and money transmission. Many states also license the same entities for the same activities, particularly larger entities whose operations cross state lines.

In 2008, Congress passed the Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act, which required states to license the activities of mortgage loan originators and encouraged development of a single, online licensing system. House Bill 2189 (2009) authorized DCBS to license mortgage loan originators via the Nationwide Multi-State Licensing and Registry System (NMLS), which states use to facilitate mortgage loan originator and mortgage lending business licensing across the country. Since then, the NMLS has expanded to manage licensure beyond the mortgage industry, creating a “one-stop shop” for businesses while maintaining states’ control of requirements such as fees, bonding, and insurance requirements.

Senate Bill 277 allows DCBS to transition money transmission, debt management service and check cashing programs onto the Nationwide Multi-State Licensing System platform.