



Department of Banking and Finance

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Safeguarding Georgia's Financial Services



MONEY TRANSMITTER SPECIAL EDITION NEWSLETTER

May 30, 2014

GEORGIA LAW CHANGES EFFECTIVE JULY 1, 2014

Amendments to Chapter 1 of Title 7 relating to money service businesses will become effective July 1, 2014. Accordingly, the Department will be adopting new rules for money service businesses to address these changes, which are currently out for comment. There are several changes to the law and changes in the proposed rules that directly affect current Money Transmitter (MT) licensees.

What do I need to know now?

The minimum surety bond coverage amount will increase to \$100,000 and, additional coverage requirements will be based on outstandings to a maximum of \$2,000,000. The minimum surety bond required will increase from \$50,000 to \$100,000. The Department will require a MT to provide additional bond coverage to cover average Georgia outstandings that exceed the minimum bond amount. The Department may determine that additional coverage is necessary; however, additional bond coverage shall not be required to exceed \$2,000,000. (House Bill 982, O.C.G.A. § 7-1-683.2)

Evidence of adequate surety bond coverage must be provided to the Department. The [MSB Surety Bond Form](#) has been revised and is available on our website. The Department will accept a new bond or surety bond rider as evidence of surety bond coverage. Failure to obtain adequate surety bond coverage can result in administrative action, including revocation of your license.



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Required reporting will increase in frequency from semi-annually to quarterly; however, semi-annual reporting for the period of January 1 – June 30, 2014 will still be required starting July 1 through August 14. The semi-annual report for the first half of 2014 will continue to be referred to as a semi-annual report and can be submitted to the Department starting July 1, 2014. The 45-day reporting window ends on August 14, 2014. Please take note of the earlier deadline. Additional instructions regarding the next semi-annual reporting process will be communicated via e-mail.

Going forward, the information previously submitted in semi-annual reports will be required by the Department on a quarterly basis. Money Transmitters will need to prepare, and submit to the Department, a quarterly report for the third quarter of 2014. Please be aware that the quarterly reports are due within 45 days after the end of the calendar quarter, rather than the 60 days previously required for semi-annual reports.

Written notice will be required for additions and changes to agents and company locations. Pursuant to House Bill 982, O.C.G.A. § 7-1-686(d), a MT will be required to give written notice to the Department of its intent to operate any new or additional locations, including, but not limited to, locations operated by an authorized agent, not reported in either its original or renewal application. The notice shall be provided to the Department no later than 30 days after the licensee or authorized agent engages in money transmission at any new or additional locations. Written notice may be provided electronically to msb@dbf.state.ga.us. Please be sure to include your license number and company name on all communications with the Department.

Changes in ownership, control and executive officers will require prior approval. Prior approval will be required for any person to become an ultimate equitable owner of any licensee through acquisition or other change in control or become an executive officer of a licensee pursuant to House Bill 982, O.C.G.A. § 7-1-688. To obtain such an approval, a licensee must file an application with the Department and pay a \$500 application fee. Proposed Rule 80-5-1-.02(1)(d).

All Georgia money service business licensees will transition to the Nationwide Multistate Licensing System (NMLS) in the Fall of 2014. The Department is pleased to announce that we will begin using NMLS to manage our money service business licensees. NMLS is a secure web-based system created by state regulators to provide efficiencies in the processing of state licenses and to improve supervision of state-regulated industries. This year's renewal process for the annual license year of 2015 will coincide with our transition of our MT licenses onto the NMLS. Additional information detailing the process of renewal and transition will be provided.



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The amended code sections ([House Bill 982](#)) may be reviewed on Georgia's General Assembly's website and the [Proposed Rules](#) are available on the Department's website. There is a search function on the left hand side of the General Assembly's website. Enter "982" into the search box, and the website will pull up the revised statute. A link to a copy of the proposed Department Rules was e-mailed in a press release dated May 9, 2014, and can be found on the Department's website.

The Seller of Checks License will be renamed to Seller-Issuer of Payment Instruments License (SPI). The license name change will be effective on July 1, 2014. There will be no change to the MT license name.

Deputy Commissioner Rod Carnes and Examiner Teresa Koeppel will present a legislative update on the new money service business laws and rules on June 17, 2014, in Forsyth, Ga. If you would like to attend, please email tkoeppel@dbf.state.ga.us to reserve your seat. This class will be provided at no cost, but space is limited. Please provide your name and company name with license number. The class will start promptly at 10 a.m. and is scheduled to end by noon. Deputy Commissioner Carnes and Examiner Koeppel will be available afterward to answer questions. The location of the class will be: Ramada Inn and Conference Center, 480 Holiday Circle, Forsyth, GA 31029, (478) 994-5691.

What do I need to do?

- ✓ Review your current level of surety bond coverage and obtain additional coverage as required. The minimum level of surety bond coverage amount will increase to \$100,000, effective July 1, 2014. Additional coverage is required to be maintained at a level to cover average Georgia outstandings up to \$2,000,000. If your current surety bond is under \$100,000 you must submit to the Department evidence that your surety bond coverage has increased as after July 1, 2014, your coverage will be inadequate.
- ✓ Review House Bill 982, paying particular attention to O.C.G.A. §§ 7-1-680 to 7-1-698, and review the Department's proposed rules.
- ✓ Mark your calendar for the next semi-annual reporting starting July 1, 2014 through August 14, 2014.