**02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**030 BUREAU OF CONSUMER CREDIT PROTECTION**

**Chapter 709: ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE’S MONEY TRANSMITTER LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)**

**SUMMARY**

This chapter makes the modifications necessary to transition licensing of all money transmitters currently licensed by the State of Maine to a multistate system administered by the Nationwide Multistate Licensing System (NMLS). This chapter establishes an annual license effective from January 1 through December 31 of each year It sets application and renewal fees and application requirements for money transmitters. This chapter requires applicants for new licenses to apply through the NMLS as of the effective date of this rule and requires money transmitter currently licensed in Maine not currently using NMLS for licensing to transition to NMLS.

**I.** **Authority**

Pursuant to 32 M.R.S. §6103(4)(B), the Administrator may establish, by rule, fees to apply for or renew money transmitter licenses, except that the fee for an initial application may not exceed $1,200.00 and the fee for a renewal may not exceed $1,000,00 for any licensed location. Renewal applications received after the license expiration date are subject to a late fee of $100.00.

Title 32 M.R.S. §6103(3) and (4) authorize the Administrator to establish routine technical rules to move money transmitter licensing to the Nationwide Multistate Licensing System (NMLS), including rules authorizing NMLS to collect fees and remit those fees to the Bureau; authorizing collection of fees by the NMLS for its processing costs; authorizing NMLS to process and maintain license records; and authorizing the use of NMLS uniform forms.

Title 32 M.R.S. §6103(4) authorizes the Administrator to establish routine technical rules to establish fees for the initial licensing and renewal licensing of money transmitters and to establish application requirements.

**II. Purpose**

The purpose of this chapter is to permit the State of Maine to use NMLS for licensing of all money transmitters. Use of the system will provide improved oversight over the activities of the companies and will simplify recordkeeping and standardize processes for all money transmitters licensed in Maine. This chapter does not modify the standards for licensing or the applicability of the provisions of the *Maine Money Transmitters Act*, but rather sets forth the licensing requirements to be utilized henceforth by the Bureau.

**III. Definitions**

For the purpose of this chapter, the following terms have the following meanings.

1. **“Administrator”** means the Superintendent of the Bureau of Consumer Credit Protection.
2. **“Authorized delegate”** means an entity as defined in 32 M.R.S. §6102(3).
3. “**Bureau**” means the Maine Bureau of Consumer Credit Protection.
4. “**Controlling Interest”** means an ownership interest of 25% or more in the applicant or an entity of which the applicant is a subsidiary.
5. **“Money transmitter”** means an entity required to be licensed to perform money transmission under 32 M.R.S. §6103.
6. **“Nationwide Multistate Licensing System,”** herein referred to as “NMLS,” means the nationwide multi-state licensing system and registry for mortgage lender licensing and loan brokering referred to in 9-A M.R.S. §13-102(8) (previously the “Nationwide Mortgage Licensing System”).
7. **General Provisions**
8. **Administrative authority granted to NMLS.** To effectuate the transition of all money transmitter licensing to NMLS, NMLS is authorized to collect fees and remit those fees to the Bureau; collect fees for its processing costs; process and maintain license records; and require use of NMLS uniform electronic and paper forms.
9. **Licensing periods.** Licenses for money transmitters are issued commencing January 1 each year and expire on December 31of the year in which issued.
10. **For money transmitters that hold a valid Maine license for 2023 not licensed through NMLS**
	1. **Transitional period.** The period from November 1, 2023 through December 31, 2023 is considered a transitional period, during which all licensed money transmitters not licensed through NMLS will have the opportunity to transition from the State of Maine’s licensing system. They must obtain licenses through NMLS, if wishing to remain licensed.
	2. **One-month *late* transitional period.** All renewal applications to transition existing licensees to NMLS received between January 1, 2024 and January 31, 2024 will be processed, but applicants will be assessed a late fee of $100.00.
	3. **Deadline.** Renewal applications transitioning to NMLS will not be accepted after January 31, 2024. All applications received after that date will be considered new applications, subject to the provisions and fees set forth in subsection 4 below.
	4. **NMLS processing fees.** At the time existing licensees apply to NMLS for a renewal license, they must pay the NMLS processing fee directly to NMLS.
	5. **State of Maine renewal license application fees**. The fee to renew a money transmitter license is set at $250.00.
11. **For applicants that do *not* hold a valid Maine money transmitter license as of the effective date of this rule (“new applicants”)**
	1. **NMLS processing fees.** Applicants that submit applications after the effective date of this rule will pay the application fee directly to NMLS.
	2. **Terms of licenses.** Licenses issued before November 1 will expire December 31 of the year in which issued. New licenses issued November 1 or later each year shall be valid through December 31 of the following year.
	3. **State of Maine new license application fees.** The fee assessed to new applicants (as well as existing licensees that apply to transition to NMLS after January 31) is set at $500.00.
12. **FEES FOR AUTHORIZED DELEGATES.** The application or renewal application must be accompanied by a fee of $50.00 for each authorized delegate designated by the licensee, up to a maximum of $2,500.00in authorized delegate fees.
13. **New licenses and renewal licenses issued following completion of the transition to NMLS**
	1. **NMLS to determine license and renewal procedures.** New licenses and renewal licenses issued after the effective date of this rule shall be processed pursuant to the procedures established by NMLS.
	2. **NMLS to determine time periods for license validity.** New licenses and renewal licenses issued after the effective date of this rule shall be valid for the time periods established by NMLS.
	3. **Payment of fees.** Application, renewal and processing fees will be paid directly to NMLS.
	4. **Late renewal for other than application for initial transition to NMLS.** For any renewal application other than the initial application for an entity to transition its existing license to NMLS, renewal applications received after December 31 of any year will be considered late. The status of such licenses will be changed to “terminated – failed to renew” or an equivalent status. Such licenses may be reinstated if a renewal application is received between January 1 and the end of February, together with all renewal fees and a late fee of $100.00. Beginning March 1 of every year, renewal requests for any company that did not renew their licenses by March 1 will not be processed, and the company must apply for a new license.
14. **Licensing Requirements.** Applicants for new and renewal licenses shall provide the following information and documentation as required by the Administrator either for in-office Bureau filings or through NMLS:
	1. Legal name and address, telephone number, website, Federal Identification Number or Social Security Number as applicable.
	2. All locations in Maine from which business will be transacted.
	3. All names under which business will be transacted.
	4. The name, address, and account number for each financial institution in which customer funds will be held.
	5. The name, address, and account number for each account which the applicant will use to conduct business.
	6. A description of the activities conducted by the business and a history of operations.
	7. A business plan.
	8. A list of the names and business addresses of all authorized delegates.
	9. A sample authorized delegate contract.
	10. A sample payment instrument, e.g., a check, draft, money order, traveler’s check, or written order for money transmission, if such will be used.
	11. The name, title, address, telephone number, and email address of the person to contact if the Bureau receives consumer complaints regarding the activities of your company.
	12. The name, title, address, telephone number, and email address of the person to contact for the scheduling of routine compliance examinations.
	13. For corporations, the date and state of incorporation; a certificate of good standing from the State of incorporation; a complete description of corporate structure, including parents and subsidiaries and the name of any stock exchange on which they are publicly traded; a certified copy of authority to do business in Maine as a foreign corporation, limited liability company, partnership, or other foreign entity required to register with the State of Maine before doing business, including any assumed or fictitious names used; and the name and address of a designated agent upon whom service of process may be made in this State.
	14. For all entities, including partnerships and sole proprietorships, a copy of the most recent audited financial statement and, if available, audited financial statements for the immediately preceding two-year period. Also, the most recent unaudited interim financial statements prepared for the applicant/licensee, dated no more than 120 days before the application date.
	15. The names, business addresses, residential addresses, and employment positions for the last ten (10) years of each owner; partner; executive officer; manager who will be in charge of the offices to be licensed; manager of a limited liability company, partnership, or similar entity; and holder of a controlling interest in the applicant.
	16. Whether any owner, partner, executive officer, manager who will be in charge of the location to be licensed, or holder of a controlling interest in the applicant has been involved in material litigation and/or convicted of a crime in the ten (10) year period prior to application and, if so, a detailed explanation of any litigation and/or conviction(s).
	17. A certification that the licensee’s permissible investments will at all times possess a book or market value, calculated in accordance with generally accepted accounting principles, of not less than the aggregate dollar amount of all outstanding payment instruments issued or sold by the licensee in the United States.
	18. A statement indicating the total dollar amount of the licensee’s outstanding instruments and transmissions in Maine and in the United States as of the dates of the both the most recent audited financial statement and the most recent interim financial statement. Also, for the previous twelve-month period:
		* 1. The number and dollar amount of payment instruments sold/issued by the licensee in Maine and the United States; and
			2. The number and dollar amount of money transmissions conducted by the licensee in Maine and the United States.
	19. Copies of documents used in the regular course of business, e.g., payment instruments, receipts for funds, customer agreements.
	20. A management chart displaying the applicant’s directors, officers, and managers by individuals’ names and titles and identifying compliance reporting and internal audit structure.
	21. An organizational chart showing the percentage of ownership in the applicant/licensee of direct owners, indirect owners, subsidiaries, and affiliates.
	22. An original money transmitter bond in form provided by the Bureau in the amount of $100,000.00 furnished by a surety company authorized to conduct business in Maine. The name of the principal insured on the bond must match exactly the full legal name of applicant and must include all assumed or fictitious names of the applicant.
	23. A written authorization to each financial institution in which the applicant will hold customer funds (trust accounts) signed by an appropriate officer, partner or owner authorizing the Bureau to examine those trust accounts.
	24. A consumer report for each owner, partner, executive officer, manager who will be in charge of the location to be licensed, and holder of a controlling interest.
	25. A criminal history report for each owner, partner, executive officer, manager who will be in charge of the location to be licensed, and holder of a controlling interest.
	26. Whether the applicant has ever been denied a license in another jurisdiction, had a license revoked, been the subject of an administrative proceeding relating to the business for which it seeks to be licensed, or been convicted of a crime related to the business of money transmission, forgery, theft or false representation and, if so, a complete and detailed explanation of each such occurrence.
15. **Changes to existing licensing information.** If any information reported by a licensee changes during a period of licensure, the licensee must amend its information on file with NMLS within 30 days of the occurrence of the change or such shorter period as required by NMLS rules or procedures. Notice of a change of control of the licensee must be provided to the Bureau by advance change notice on NMLS and the Bureau must approve any change of control before the same becomes effective. Any change of control of a licensee which occurs without approval or which the Bureau rejects will cause the immediate and automatic revocation of the license.
16. **Routine technical rule.** This is a routine technical rule as authorized by 32 M.R.S. §6103(4).

STATUTORY AUTHORITY:

 32 M.R.S. §6103(4)

EFFECTIVE DATE:

 June 25, 2023 – filing 2023-095