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ORDER GOVERNING THE IMPLEMENTATION OF THE NATIONWIDE MORTGAGE LICENSING SYSTEM FOR MONEY TRANSMITTERS

The Commissioner of the Department of Financial Institutions ("DFI") is charged with the administration of Chapter 286.11 of the Kentucky Revised Statutes, the Kentucky Money Transmitters Act of 2006 (the "Act").

The Nationwide Mortgage Licensing System ("NMLS") is an Internet-based filing depository operated by the State Regulatory Registry, LLC ("SRR"), a wholly-owned operating subsidiary of the Conference of State Bank Supervisors ("CSBS"). The NMLS is designed to accept license applications made electronically by state-licensed money transmitters, money services businesses and money transmitter agents; collect associated regulatory filing fees on behalf of affected jurisdictions; and provide the public with Internet-based access to information on state-regulated money transmitters, money services businesses, and money transmitter agents. Kentucky is one of forty-seven states that have signed a Nationwide Cooperative Agreement for Money Services Business Supervision. This Cooperative Agreement created the Multi-State MSB Examination Taskforce composed of members of the CSBS and the Money Transmitter Regulators Association and provides the Protocol for Performing Multi-State Examinations. It further shows the intent of Kentucky to require its money transmitters to electronically file their applications with DFI through the NMLS.

KRS 286.11-061 of the Act states in part that the DFI shall exercise all administrative functions in relation to the regulation, supervision, and licensing of money transmitters.

KRS 286.11-061(2) of the Act further states "The commissioner may promulgate, amend, and repeal any administrative regulations, forms, and orders as are necessary to interpret and enforce the provisions of this subtitle."

In 2013, Governor Steve Beshear signed into law Senate Bill 69, codified as KRS 286.11-032 of the Act, which provides in part that the commissioner shall be authorized to require, by rule or order, submission of an application, report, or approval request to the SRR, or its successor, parent, affiliate or operating subsidiary, or to other agencies or authorities as part of a nationwide licensing system.

The commissioner has determined that it is necessary and in the public interest, and consistent with the purposes fairly intended by the policy and provisions of the Act to participate in the NMLS to provide a uniform procedure for electronic filing of license applications of money transmitters, money transmitter agents and money services businesses.

THEREFORE, the Commissioner **ORDERS** that, for the purpose of KRS 286.11-061 and KRS 286.11-014 of the Act, the web-based NMLS operated by the SRR is designated to receive license application filings and to collect initial and renewal filing fees on the commissioner's behalf in accordance with the **ORDER** and with respect to money transmitters and money transmitter agents.

Effective July 19, 2013 the Commissioner further **ORDERS** the following:

1. The license renewal periods for money transmitters shall be on a calendar year basis.

2. Licensees shall be required to access NMLS between July 19, 2013 and September 30, 2013 in order to renew licenses for the period between September 30, 2013 and December 31, 2013. Licensees shall be required to pay a pro-rated renewal fee of $125.00 plus the NMLS processing fee of $100.00.

3. Licensees shall be required to access NMLS between November 1, 2013 and November 30, 2013 to renew money transmitter licenses for the calendar year 2014. For calendar years subsequent to 2014, all Licensees shall follow the NMLS procedures to renew money transmitter licenses.

4. Beginning November 1, 2013, all applications for a new money transmitter license shall be processed through NMLS. All new money transmitter licenses issued between November 1, 2013 and December 31, 2013 shall be effective until December 31, 2014.

5. Beginning in calendar year 2014, all Licensees shall follow the NMLS procedures for the processing of money transmitter agents and for the payment of all fees required by NMLS in connection with the processing of money transmitter agents.

6. In the event a Licensee must file a written report pursuant to KRS 286.11-023 of the Act, the licensee shall file the written report via NMLS.

7. If there is a proposed change of control of a Licensee, the Licensee shall follow the steps outlined in KRS 286.11-025 of the Act and submit the request for approval as well as the applicable fees via NMLS.

8. All fees shall be paid to NMLS in the form of an electronic debit or credit card, or via Automatic Clearing House (ACH).

This **ORDER** shall remain in effect until modified, superseded, or vacated by the commissioner or other lawful authority.

This **ORDER** is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act.

This **ORDER** is executed and entered into the official agency record this the 19th day of July, 2013.

Charles A. Vice, Commissioner
Kentucky Department of Financial Institutions