

February 13, 2024

**The Honorable Donna Bailey
Chair of the Senate Committee on Health Coverage, Insurance and Financial Services
Maine State Senate
3 State House Station
Augusta, ME 04333**

Re: Comments in Support of LD 2112 – Money Transmission Modernization Act

Dear Chair Bailey and Members of the Committee,

On behalf of the Electronic Transactions Association (“ETA”), the leading trade association for the payments industry, we appreciate the opportunity to provide the comments below in strong support of LD 2112 related to adopting money transmission modernization standardization for the state of Maine. Additionally, in Section 6100-N of LD 2112, the absence of a carveout for business-to-business (B2B) transactions from the receipt requirement is notable, deviating from the framework outlined in the CSBS Model Law. ETA recommends the incorporation of this carveout, as delineated in Section 9.03 of the Model Law. This proposed exemption holds significance for maintaining coherence and uniformity, aligning Maine’s law with standards established in other states and exclusion of the provision creates a high compliance burden on money transmitters engaged primarily in business/commercial transactions.

ETA strongly supports the passage of LD 2112 which incorporates the Conference of State Bank Supervisors (“CSBS”) Model Money Transmission Modernization Act (“Money Transmitter Model Law”) into Maine law. We commend the work of CSBS in bringing together regulators and other stakeholders to develop a uniform, nationwide framework for the regulation of money transmission businesses. Through harmonized standards, the Money Transmitter Model Law will:

1. Facilitate enhanced, coordinated supervision of money transmission businesses.
2. Reduce barriers to entry and compliance costs of critical financial services created by disparate and sometimes conflicting state laws and regulations.
3. Further protect consumers and small businesses through safe, trustworthy, and clear standards for companies and regulators.

Uniform, and comprehensive adoption of the Model Law and regulations will ensure that customers are protected in the same fashion, and payments companies are regulated in the same fashion, across all jurisdictions. It would create a robust single, national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. With 99.8% of the \$4.9 Trillion in reported money transmission volume in 2021 being transmitted by companies licensed in multiple states, uniform adoption of the Model Law would allow businesses to focus on risk detection and consumer

protections, while decreasing burdens of State caseloads, and preserving licensing and supervisory efforts.

Uniform adoption of the Model Law is critical to protecting users, maintaining U.S. competitiveness, and supporting regulator efficiency. Therefore, ETA supports LD 2112 because it would align regulation of money transmission in Maine with the Model Law that is being adopted in states across the nation.

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We appreciate you taking the time to consider these important issues. If you would like to discuss any aspect of our comments, please contact me or ETA Executive Vice President Scott Talbott at Stalbott@electran.org.

Respectfully Submitted,



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