

*Submitted electronically*

February 22, 2024

Senator Donna Bailey, Chair

Representative Anne Perry, Chair

Joint Standing Committee on Health Coverage, Insurance, and Financial Services

100 State House Station

Augusta, Maine 04333

***Re: FTA Support for the Adoption of LD 2112 and SP 905***

Dear Chair Bailey and Chair Perry:

The Financial Technology Association (“FTA”) appreciates the opportunity to write to you in support of the enactment of LD 2112 and SP 905, which is drafted to facilitate the adoption of the Conference of State Bank Supervisors Money Transmission Modernization Act (“Model Law”). FTA is a nonprofit trade association representing digitally-native financial services companies. In particular, our members provide faster, easier-to-use, more transparent, and lower-cost payment services.

As you are aware, the current consumer payments ecosystem is highly diversified. Companies in the ecosystem play widely varying roles, each serving different markets and offering unique functionalities. These entities are subject to state money transmission licensing regimes, which have historically diverged from one state to another.

Fortunately, a collective group of bipartisan state regulators and industry experts, including FTA members, created the Model Law. Its intent is to lessen the regulatory burden on money transmitters by streamlining regulatory efforts and promoting innovation while protecting small businesses and consumers who rely on these tools.

However, LD 2112 and SP 905 does not include a vital component of the Model Law framework that excludes business-to-business (B2B) transactions from receipt requirements. It is critical that this exemption is included in Maine’s adoption of the legislation for two reasons: (1) it is essential that the Model Law is adopted in its entirety in all state jurisdictions, including Maine, to ensure coherence and uniformity and avoid confusion, and (2) businesses already have procedures in place to capture detailed receipts for individual transactions, and by excluding this exemption, businesses would likely be forced to carry out duplicative processes to comply with unnecessarily burdensome regulatory requirements.

FTA supports the adoption of the entire Model Law in all jurisdictions across the country and separate from other initiatives aimed at regulating digital assets. The uniform adoption of the Model Law would result in less uncertainty and risk and remove barriers to innovation and adaptability for both consumers and providers. As the fintech payments industry continues to grow, states must implement this uniform legislation nationwide.

More than a dozen U.S. states have enacted the Model Law, and FTA appreciates the Maine Legislature's efforts to do the same. Please contact the undersigned at [penny@ftassociation.org](mailto:penny@ftassociation.org) with any questions. We look forward to collaborating with you as this legislation moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Penny Lee', is positioned below the word 'Sincerely,'.

Penny Lee  
President and Chief Executive Officer  
Financial Technology Association