

June 15, 2018

Oscar B. Fears, III, Deputy Commissioner
Georgia Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, GA 30341-5565
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Email: bfears@dbf.state.ga.us

RE: Proposed Rulemaking Affecting Money Transmitters Regulations

Dear Mr. Fears:

On behalf of the Electronic Transactions Association (“ETA”), we appreciate the opportunity to share our comments with the Georgia Department of Banking and Finance (“GA DBF”) on your proposal to amend the regulations affecting money transmitters. Our comments are intended to provide our comments and thoughts on these important issues.

As background, ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services. ETA’s members include all parts of the electronic payments ecosystem including financial institutions, acquiring banks, merchant service providers and processors, and payment card networks. ETA member companies are creating innovative offerings in financial services, revolutionizing the way commerce is conducted with safe, convenient, secure, and rewarding payment solutions.

Specific Comments:

Georgia Comp. R. & Regs. r. 80-3-1-.01(8) - Payment Instrument Sellers and Money Transmitters

The proposal amends this subsection to allow for proceeds received from sale of payment instruments or money transmission net of fees charged and retained by the authorized agent to be remitted to the licensee in accordance with the terms or a contract between a licensee and an authorized agent, rather than a specific 5 business day requirement.

Recommendation: ETA supports this amendment.

Georgia Comp. R. & Regs. r. 80-3-1-.01(11) - Payment Instrument Sellers and Money Transmitters

The proposal would add a requirement to make a written request to the GA DBF to seek approval for any proposed change through acquisition or other change in control or executive ownership resulting from such proposed change in ownership, 30 days prior to proposed change.

Recommendation: Requiring 30 days' advanced notice and Department approval for a change in ownership may not be feasible in all situations. ETA recommends excluding prior notice and Department approval in cases where the change in ownership or control occurs solely within an affiliated corporate family.

Georgia Comp. R. & Regs. r. 80-3-1-.02(10) – Check Cashers

The proposal would add a requirement to make a written request to the GA DBF to seek approval for any proposed change through acquisition or other change in control or executive ownership resulting from such proposed change in ownership, 30 days prior to proposed change.

Recommendation: Requiring 30 days' advanced notice and Department approval for a change in ownership may not be feasible in all situations. ETA recommends excluding prior notice and Department approval in cases where the change in ownership or control occurs solely within an affiliated corporate family.

Georgia Comp. R. & Regs. r. 80-3-1-.07(4)(h) – Administrative Fines and Penalties

The proposal would provide for a penalty for failure to notify and obtain approval from the GA DBF for any proposed change through acquisition or other change in control or executive ownership resulting from such proposed change in ownership, 30 days prior to proposed change. The penalties would be a fine of \$1,000 and revocation or suspension of the license. Additionally, this subsection requires licensees to timely notify the GA DBF of any change in executive officer not resulting from a change in control or ownership with the penalty of failure to do so of \$1,000 and revocation or suspension of the license.

Recommendation: Requiring 30 days' advanced notice and Department approval for a change in ownership may not be feasible in all situations. ETA recommends excluding prior notice and Department approval in cases where the change in ownership or control occurs solely within an affiliated corporate family. Separately requiring a licensee to notify the Department is a duplication of submission of information as licensees maintain NMLS profiles that indicate who current executive officers are. We recommend striking the last sentence in (h) in its entirety.

Georgia Comp. R. & Regs. r. 80-10-1-.01(1)(b) – Minimum Record Retention Periods

The proposal would require a minimum record retention period of 20 years for copies of regulatory reports of examination, targeted reviews and responses to such reports of examination or targeted reviews, regulatory actions including, but not limited to, consent orders, memoranda of understanding, and board resolutions.

Recommendation: Record retention for a period of 20 years is burdensome. Also, the state of Georgia would have the ability to store all such records detailed in (b) already. We recommend changing the record retention of such (b)(1) and (b)(2) to 5 years.

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Thank you for the opportunity to comment on this important issue. If you have any additional questions, you can contact me or ETA Senior Vice President, Scott Talbott at stalbott@electran.org.

Sincerely,



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