

February 14, 2024

**The Honorable Lance W. Clow
Chair of the House Committee on Business
Idaho House
P.O. Box 83720
Boise, ID 83720-0038**

Re: Comments in Support of H.479 – Money Transmission Modernization Act

Chair Clow, Vice Chair Ehlers, and Distinguished 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 H.479 related to adopting money transmission modernization standardization for the state of Idaho.

ETA strongly supports the passage of H.479 that incorporates the Conference of State Bank Supervisors (“CSBS”) Model Money Transmission Modernization Act (“Money Transmitter Model Law”) into Idaho 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.

CSBS recently reported that the boom in fintech payments providers has resulted in the number of money transmitters operating nationwide (licensed in 40 or more states) more than doubling since 2015. Considering the substantial increase in the volume of regulation and oversight required as

this industry continues to expand, standardization will be a benefit to regulators in managing workloads more efficiently.

Uniform adoption of the Model Law is critical to protecting users, maintaining U.S. competitiveness, and supporting regulator efficiency. Therefore, ETA supports H.479 because it would align regulation of money transmission in Idaho 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,



Brian Yates
Senior Director, State Government Affairs
Electronic Transactions Association
202.677.7714 | byates@electran.org