



SINCE 1902

CONFERENCE OF STATE BANK SUPERVISORS

December 5, 2011

Office of Regulatory Policy and Programs Division
Financial Crimes Enforcement Network
Department of the Treasury, P.O. Box 39
Vienna, VA 22183

Attention: PRA Comments—MSB Registration—Form107

Dear Sir or Madam,

The Conference of State Bank Supervisors (CSBS) welcomes the opportunity to comment on the Financial Crimes Enforcement Network's (FinCEN's) notice and request for comment regarding revisions to FinCEN Form 107 entitled *Registration of Money Services Businesses*. To increase consumer protection, enhance state regulation, and drive uniformity among state regulation, the Nationwide Mortgage Licensing System & Registry (NMLS) is expanding to allow States to register additional industries on the NMLS. This expansion will include Money Services Businesses (MSBs). As FinCEN works to incorporate prepaid access program information and changes to the MSB definitions into Form 107, we suggest including the applicable entities' NMLS unique identifier as a data field upon completion of the expansion in 2012.

The states, through CSBS and the American Association of Residential Mortgage Regulators (AARMR), developed and launched NMLS to enhance supervision of the residential mortgage market. The unique identifier granted to residential mortgage loan originators and companies through NMLS allows supervisors to track mortgage providers across state lines to ensure a provider will not escape regulatory action in one state, simply by crossing into another state. The use of the unique identifier results in regulators sharing information about entities in NMLS and allows consumers and industry to easily track specific originators' histories and qualifications through NMLS Consumer Access. Furthermore, the NMLS unique identifier ties institutions back to their record in NMLS, which contains data about the entity including information regarding corporate ownership, subsidiaries and affiliates. Coupled with the SAFE Act, NMLS enables state and federal regulators to better coordinate our efforts to create a seamless system of mortgage supervision.

In the spring of 2012, the NMLS system will expand to accommodate other financial service providers regulated at the state level. The expansion will create a more robust supervisory framework surrounding these additional financial service providers as it has for the residential

mortgage industry. As FinCEN states in the notice, Form 107 will be used by dealers in foreign exchange; check cashers; issuers, sellers, and redeemers of traveler's checks and money orders; providers of prepaid access; and money transmitters to register with the Department of Treasury. Most of these entities will be included in the NMLS expansion. While we understand FinCEN is working to implement changes to the form before the spring of 2012, we recommend FinCEN consider including these entities' unique identifiers in revisions to the form when the identifiers are available. Over the coming years we anticipate a large number of MSBs and additional entities to register with the NMLS and thus receive a unique identifier. It will take time for the states to bring additional entities onto the system. Those entities that come on the system should report their unique identifier on Form 107.

FinCEN maintains the information from Form 107 will be used to assist supervisory and law enforcement agencies in the enforcement of criminal, tax, and regulatory laws and to prevent money services businesses from being used by those engaging in money laundering, terrorist financing and other illicit financial crimes. The NMLS expansion will further enhance the view of participants across industries and provide a platform for effective cooperation between state and federal supervisors in fulfilling FinCEN's regulatory goals.

We believe the NMLS unique identifier would be a valuable Form 107 data field. We therefore encourage FinCEN to include the unique identifier as it revises the form.

Thank you for the opportunity to comment,

John Ryan

A handwritten signature in black ink, appearing to read "John W. Ryan". The signature is fluid and cursive, with a long horizontal stroke at the end.

President and CEO