Senate Bill 668
Public Testimony
Senate Committee on Shared Revenue, Elections, and Consumer Protection
December 19, 2023

Thank you, members of this committee, for holding this public hearing on Senate Bill 668, the Money Transmission Modernization Act.

This model legislation affects the money transmission industry and will bring its regulation in line with other states. This industry provides payment intermediary services and consists of eight different groups regulated by the Department of Financial Institutions. These industries are Collection Agencies, Licensed Loan Companies, Sellers of Checks, Payday Lenders, Sales Finance Companies, Adjustment Service Companies, Currency Exchanges, and Insurance Premium Finance Companies. Altogether, there are 638 licensees in this industry operating in Wisconsin.

While these industries are not as well-known as banks and credit unions, they are just as subject to changes in technology and the market. The MTMA aims to modernize and streamline the regulation of money transmitters while promoting innovation and consumer protection measures.

Adopting this legislation will improve the regulatory burden on these industries by establishing consistent licensing standards across multiple states. Bringing Wisconsin's money transmission laws into alignment with those of other states, particularly by adopting the Nationwide Multistate Licensing System (NMLS), will allow more industry players to enter Wisconsin and expand the market, and will reduce redundancies for those who are already operating here.

At the same time, it will enhance consumer protection by standardizing requirements and providing greater transparency on businesses operating in the industry.

I would like to thank Representative O'Connor for his hard work on this bill, as well as the many industry stakeholders and individuals at DFI who participated in drafting this legislation. We have members of DFI in attendance today who will be able to speak to the details of this bill. Thank you for your time, and we would be happy to answer any questions you may have.