

HB 2419 A STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 4/25

WHAT THE MEASURE DOES:

Authorizes Department of Consumer and Business Services (DCBS) to use Nationwide Multistate Licensing System when issuing or renewing licenses for collection agencies, consumer finance lenders, title loan lenders, and payday loan lenders. Authorizes DCBS to collect fingerprints for certain applicants of following license types: collection agencies, debt management service providers, and money transmitters. Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Nationwide Multistate Licensing System (NMLS) is the system of record for non-depository financial services licensing and registration used by participating states. The system allows for improved coordination and information sharing among regulators, increased efficiency for the industry, and enhanced consumer protection. The Department of Consumer and Business Services (DCBS) currently has explicit statutory authority to use the NMLS when issuing and renewing licenses for debt management service providers and money transmitters. This allows DCBS to require applicants to submit application forms through the NMLS.

House Bill 2419-A provides DCBS with the same authority to use the NMLS for four additional licensing programs: collection agencies, consumer finance lenders, title loan lenders, and payday loan lenders. The measure also provides DCBS with the statutory authority needed to require fingerprints of license applicants for collection agencies, debt management service providers, and money transmitters.