

2021 NMLS Money Services Businesses Report

This report contains data concerning companies and branches that are licensed or registered in NMLS to conduct money services activities.¹

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1. Money Services Businesses Activities

The Money Services Businesses (MSB) Call Report collects quarterly activity and financial data from MSB companies. The report includes national and state-specific information that is submitted on a quarterly and annual basis. Companies who are required to submit the MSB Call Report must submit both the national and state-specific information. Reporting started in the first quarter of 2017².

Activities reported in the MSB Call Report include the following:

Money Transmission	Transmitting money, domestically and/or internationally
Payment Instrument	Instrument for the transmission or payment of money or monetary value, such as money orders
Stored Value	Monetary value that is evidenced by an electronic record, such as a prepaid card or mobile wallet
Check Cashing	Cashing checks, drafts, money orders, or other commercial paper
Currency Exchange	Exchanging one fiat currency for another fiat currency
Virtual Currency	Transmitting, exchanging, holding, or otherwise controlling virtual currency

In 2021, 33 states and Puerto Rico required their licensed companies to file the MSB Call Report, an increase of three states during the year. The report collects both state-specific and company-wide transaction information. The company-wide transaction totals include transactions in states that do not require the MSB call report, which gives visibility to the majority of MSB activity nationwide.

¹ Unless otherwise noted, all figures cover activity from 2021, or statuses as of December 31, 2021.

²MSB Call Report data in this report reflect data submitted by companies in NMLS. Data are subject to revision for two years after the reporting period.

Nationwide MSB Market Totals³

Activity	2021	
	Volume	Companies Reporting
Money Transmission	\$3,768,883,506,001	346
Payment Instruments	\$171,040,899,218	99
Stored Value	\$646,670,546,970	98
Check Cashing	\$16,622,766,847	151
Currency Exchange	\$3,481,671,649	24
Virtual Currency Exchange & Transmission	\$1,407,629,161,809	72
Total	\$6,014,328,552,494	533

2. State-licensed MSB Companies

As of December 31, 2021, 47 states, the District of Columbia, and Puerto Rico managed MSB licenses on NMLS.

There were 2,849 MSB companies in NMLS that held a total of 9,842 approved MSB licenses in 2021, compared to 2,850 companies and 9,026 licenses in 2020. These companies conducted activity covered by different license types managed in NMLS.

The table below describes the interstate nature of the MSB industry. For example, the average money transmitter conducted business in 13 states, and the average stored value company conducted business in 25 states. Check cashing was the most notable exception, where the average company tended to operate in just one state.

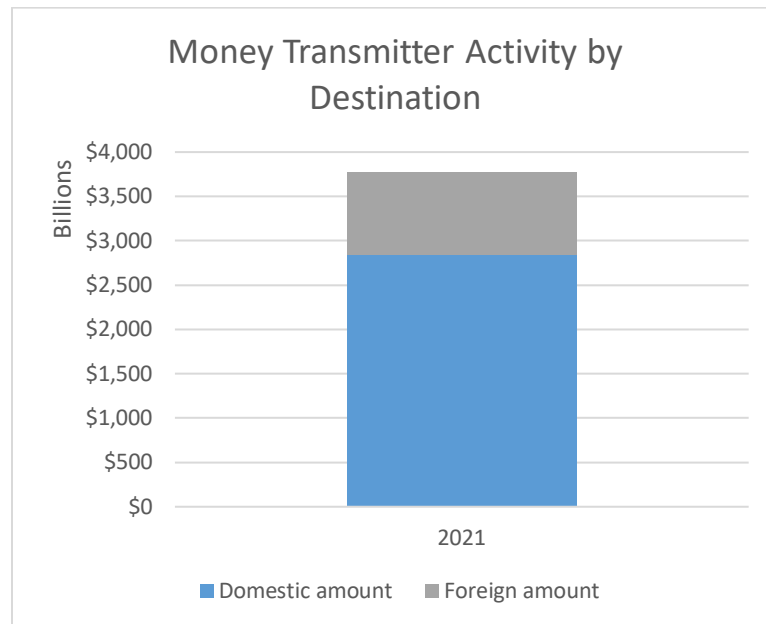
MSB Activity	Companies in NMLS	Average number of states in which they conduct business
Bill paying	549	4
Check cashing	2,250	1
Electronic money transmitting	784	13
Foreign currency dealing or exchanging	71	20
Issuing and/or selling drafts	26	22
Issuing money orders	181	3
Issuing prepaid access/stored value	123	25
Issuing traveler's checks	7	9
Other - Money Services	279	11
Selling money orders	703	2
Selling prepaid access/stored value	229	8
Selling traveler's checks	12	10
Transporting Currency	20	3
Virtual currency exchanging and trading services	102	24

³ See Technical Note

3. Money Transmitters and Uniform Authorized Agent Reporting

Of the companies in NMLS conducting MSB activity, 541 were licensed as money transmitters. They held a total of 7,370 approved money transmitter licenses. Of these companies, 326 reported money transmission on the MSB Call Report.

Foreign and Domestic Money Transmission Transactions



Foreign transfers, also known as “international wires,” or “international money transfers,” are transmissions from the United States to recipients abroad.

In 2021, foreign transfers comprised 25% of all money transmissions in the United States.

The average transmission amount for each foreign transaction was \$740 in 2021.

Agents in NMLS

NMLS provides functionality to allow money transmitters to upload lists of their authorized agents to state regulators. As of December 31, 2021, 43 states, the District of Columbia, and Puerto Rico have instructed their money transmitters to use the Uniform Authorized Agent Reporting (UAAR) functionality.

As of the end of 2021, 218 companies reported 496,148 active authorized agent relationships, and 323 companies reported no agents used.

Number of Agents	Companies
10,000 or more	10
5,000 – 9,999	3
1,000 – 4,999	15
500 – 999	11
100 – 499	27
50 – 99	19
10 – 49	58
Less than 10	75
0 (No Agents Used by Principal)	323

4. Technical Note

The 2021 MSB Call Report Market Totals provided in this report should be used on a limited basis. The information can be used to:

- Estimate the total volume for MSB companies in the United States
- Estimate the number of companies reporting in each MSB activity

These limitations are in place because of variation in reporting patterns between companies, concentrated growth among a small number of MSBs, and the rapid rise in the price of Bitcoin in 2021.

Reporting Patterns

The current activity definitions in the MSB Call Report are broad, allowing for the interpretations defined in state statutes. The definitional differences may affect the scope of activity reported, specifically for money transmission and virtual currency.

For example, some definitions of money transmission include virtual currency activity involving fiat currency. Due to variations in the distinction between money transmission and virtual currency, it is unclear whether the volume reported in money transmission at the nationwide level includes virtual currency.

Companies also report activity inconsistently across states, and this impacts the nationwide totals. It is possible that companies report only regulated activity in states where they are licensed. On the other hand, it is also possible that companies report all activity where they are licensed or conduct activity.

Company Growth, and Rise of Bitcoin Price

Much of the growth from 2020 to 2021 is the result of dramatic increases by a few companies, and more subtle increases by hundreds of companies. The companies that grew most from 2020 to 2021 operate primarily in virtual currency-based industries, payroll processing, and bill pay industries. This is a reflection of a rapid increase in the price of Bitcoin, and payroll and bill pay companies reporting on the MSBCR in a new capacity in 2021.