



# **2018 NMLS Money Services Businesses Industry Report**

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Conference of State Bank Supervisors  
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# 2018 NMLS Money Services Businesses Report

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

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## 1. Money Services Businesses Activities

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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. Reporting started in the first quarter of 2017<sup>2</sup>.

Activities reported in the MSB Call Report include the following:

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

In 2018, 26 states and Puerto Rico required their licensed companies to file the MSB Call Report, an increase of nine 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.

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<sup>1</sup> Unless otherwise noted, all figures cover activity from 2018, or statuses as of December 31, 2018.

<sup>2</sup>MSB 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 Totals

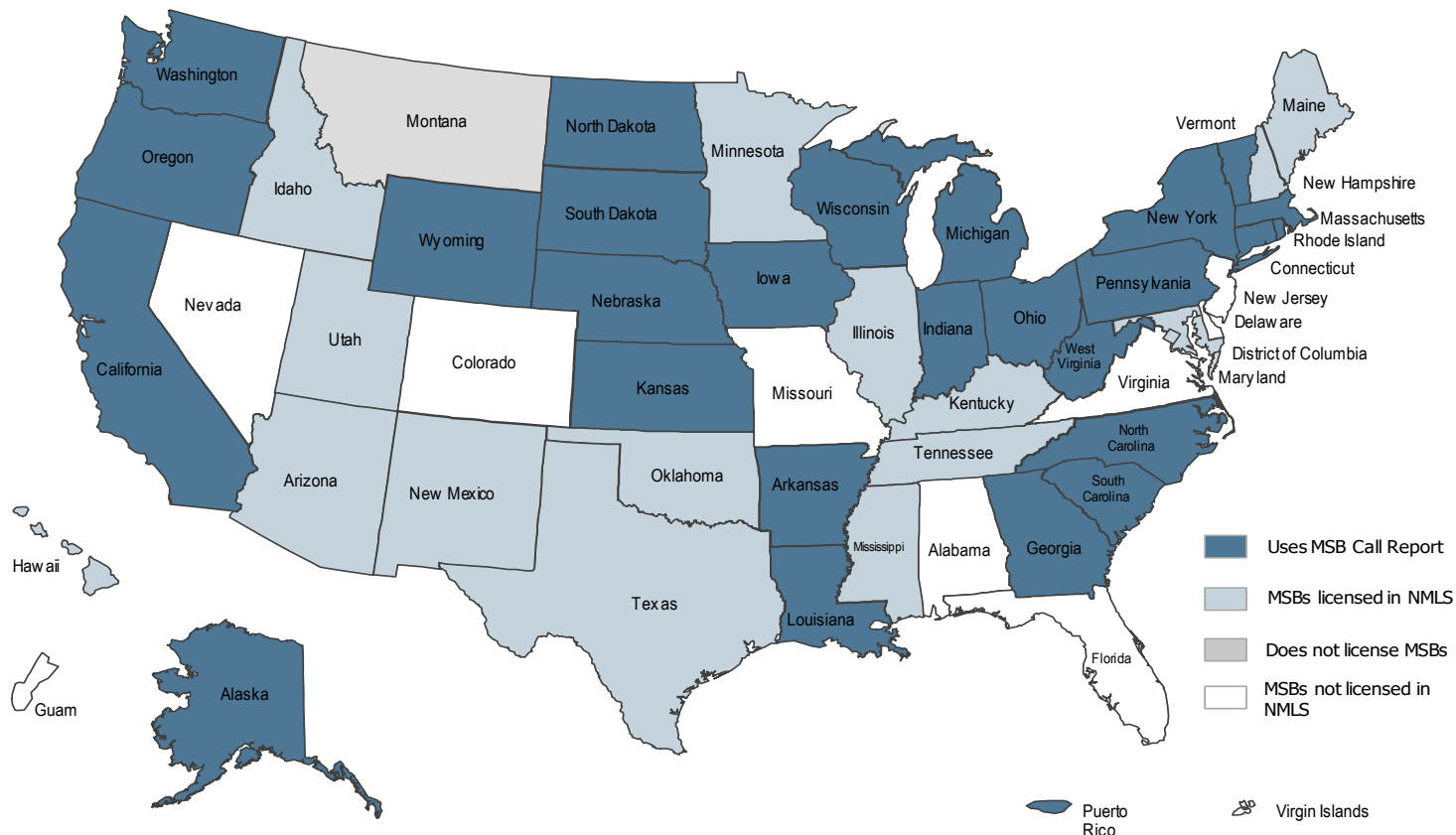
Activity	2018		2017	
	Volume	Companies Reporting	Volume (revised) <sup>1</sup>	Companies Reporting
Money Transmission <sup>2</sup>	\$851,197,166,931	292	\$758,900,190,822	276
Payment Instruments	\$175,245,005,289	101	\$189,915,884,743	109
Stored Value	\$296,068,076,932	75	\$234,273,291,769	61
Check Cashing	\$14,232,280,421	176	\$17,006,595,010	162
Currency Exchange	\$5,423,427,642	21	\$4,442,562,953	19
Virtual Currency Exchange	\$47,693,747,723	14	\$115,946,395,008	8
Virtual Currency Transmission	\$22,261,814,194	22	\$12,695,249,007	12
<b>Total<sup>2</sup></b>	<b>\$1,412,121,519,132</b>	<b>460</b>	<b>\$1,333,180,169,312</b>	<b>423</b>

<sup>1</sup> Companies may submit revised call report data for up to two years. Data for 2017 have changed since originally published.

<sup>2</sup> Some large money transmitters changed their basis of reporting in 2018. As a result, transmission data from 2017 and 2018 are not comparable.

## 2. State-licensed MSB Companies

As of December 31, 2018, 42 states, the District of Columbia, and Puerto Rico managed MSB licenses on NMLS.



### ***Companies reporting MSB Activities in NMLS***

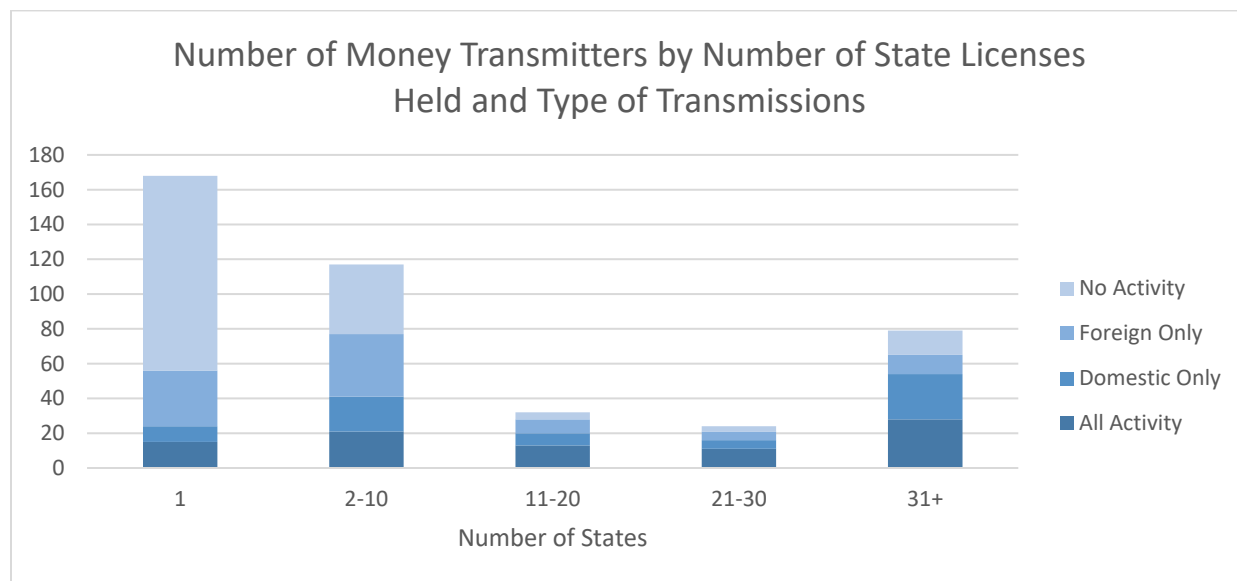
There were 2,405 MSB companies in NMLS that held a total of 6,942 approved MSB licenses in 2018, up from 2,027 companies and 5,733 licenses in 2017. These companies conducted activity covered by different license types managed in NMLS.

The table below describes the interstate nature of the MSB industry. For example, the average money transmitter conducted business in 10 states, and the average stored value company conducted business in 22 states. Check cashing was the most notable exception, where the average company tended to operate in just one state.

<b>MSB Activity</b>	<b>Companies in NMLS</b>	<b>Average number of states in which they conduct business</b>
<b>Bill paying</b>	535	4
<b>Check cashing</b>	1,984	1
<b>Electronic money transmitting</b>	686	10
<b>Foreign currency dealing or exchanging</b>	55	17
<b>Issuing and/or selling drafts</b>	27	22
<b>Issuing money orders</b>	178	3
<b>Issuing prepaid access/stored value</b>	76	22
<b>Issuing traveler's checks</b>	5	13
<b>Other - Money Services</b>	229	9
<b>Selling money orders</b>	736	2
<b>Selling prepaid access/stored value</b>	212	7
<b>Selling traveler's checks</b>	14	9
<b>Transporting Currency</b>	16	2
<b>Virtual currency exchanging and trading services</b>	16	22

### 3. Money Transmitters and Uniform Authorized Agent Reporting

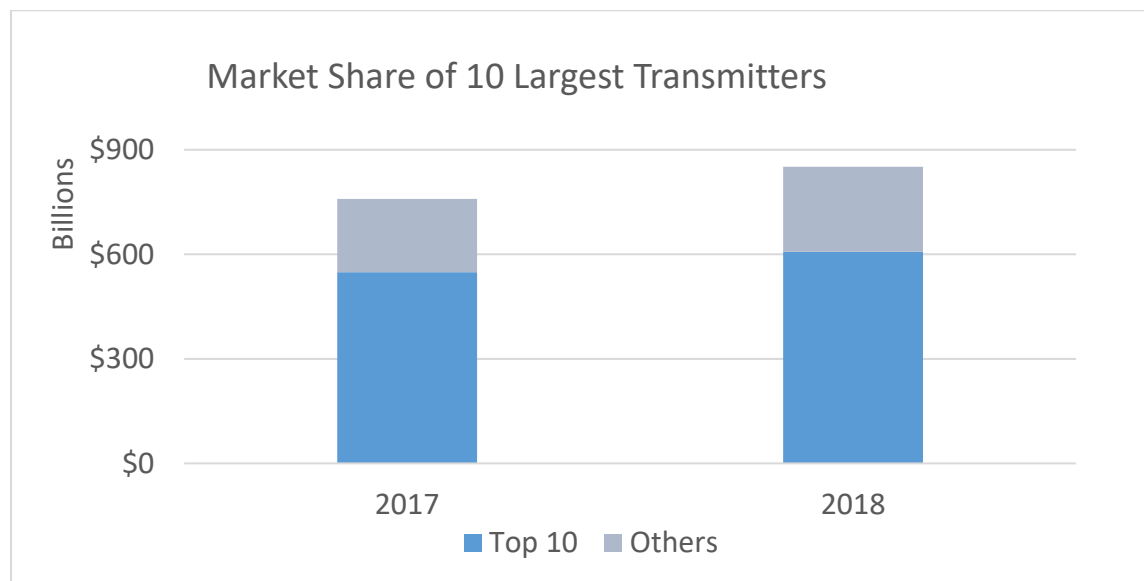
Of the companies in NMLS conducting MSB activity, 420 were licensed as money transmitters. They held a total of 4,832 approved money transmitter licenses. Of these companies, 292 reported money transmission on the MSB Call Report.



Most of the companies licensed in only one state reported no transmission activity. Companies with only foreign transmissions tended to be licensed in 10 or fewer states. Conversely, several companies that transmit money domestically are licensed in more than 30 states.

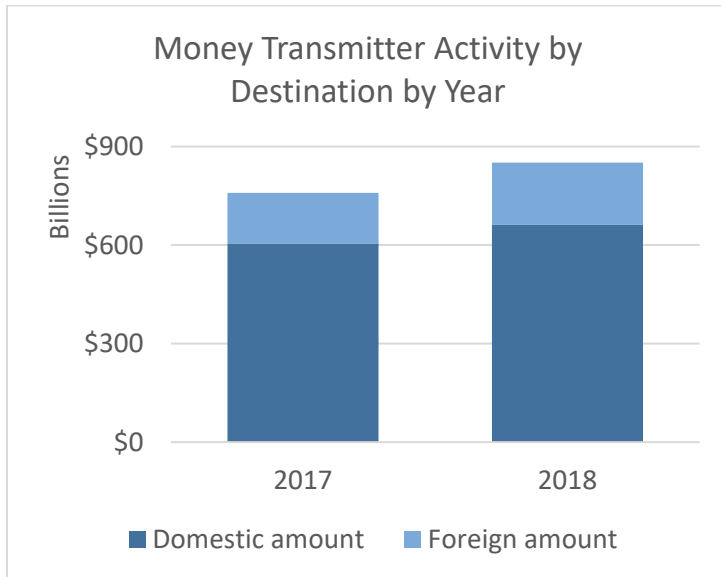
#### **Market Share of 10 Largest Money Transmitters**

The money transmission industry was highly concentrated in 2018. The 10 largest companies accounted for 71 percent of the \$851 billion transmitted in 2018.



*Note: Some large money transmitters changed their basis of reporting in 2018. As a result, transmission data from 2017 and 2018 are not comparable.*

## 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 2018, foreign transfers comprised 22% of all money transmissions in the United States.

The average transmission amount for each foreign transaction was \$285 in 2018.

*Note: Some large money transmitters changed their basis of reporting in 2018. As a result, transmission data from 2017 and 2018 are not comparable.*

## Agents in NMLS

NMLS provides functionality to allow money transmitters to upload lists of their authorized agents to state regulators. As of December 31, 2018, 40 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 2018, 204 companies reported 440,188 active authorized agent relationships, and 216 companies reported no agents used.

Number of Agents	Companies
10,000 or more	9
5,000 – 9,999	4
1,000 – 4,999	17
500 – 999	11
100 – 499	24
50 – 99	23
10 – 49	55
Less than 10	61
0 (No Agents Used by Principal)	216