



Description



MINNESOTA MONEY TRANSMITTER LICENSE

Who is required to have this license?

Any person engaging in the business of selling or issuing payment instruments or engaging in the business of receiving money for transmission or transmitting money within the United State or to locations abroad by any and all means, including but not limited to payment instrument, wire, facsimile, or electronic transfer.

Who does not need this license?

- The United States or any department, agency, or instrumentality thereof;
- the United States Postal Service;
- a state or any political subdivision of a state;
- banks, credit unions, savings associations, savings banks, mutual banks organized under the laws of any state or the United States, or bank holding companies which have a banking subsidiary located in Minnesota and whose debt securities have an investment grade rating by a national rating agency, provided that if they issue or sell payment instruments through authorized delegates who are not banks, bank holding companies, credit unions, savings associations, savings banks, or mutual banks, those authorized delegates must comply with all requirements imposed upon authorized delegates; and
- the provision of electronic transfer of government benefits for any federal, state, or county governmental agency as defined in Federal Reserve Board Regulation E, by a contractor for and on behalf of the United States or any department, agency, or instrumentality of the United States, or any state or any political subdivision of the state.

What are the pre-requisites for license applications?

Net worth - Each licensee engaging in money transmission in three or fewer locations in the state, either directly or through authorized delegates, must have a net worth of at least \$25,000. Each licensee engaging in money transmission at more than three locations in the state, but fewer than seven locations, either directly or through authorized delegates, must have a net worth of at least \$50,000. Each licensee engaging in money transmission at more than six locations in the state, either directly or through authorized delegates, shall have a net worth of \$100,000 and an additional net worth of \$50,000 for each location or authorized delegate located in the state in excess of seven, to a maximum of \$500,000. Net worth shall be calculated in accordance with generally accepted accounting principles.

Bond amount - Each application must be accompanied by a surety bond, irrevocable letter of credit, or other similar security device acceptable to the commissioner in the amount of \$25,000. If the applicant proposes to engage in business under this chapter at more than three locations, but less than seven locations, through authorized delegates or otherwise, then the amount of the security device must be increased to \$50,000. If the applicant proposes to engage in business under this chapter at more than six locations, through authorized delegates or otherwise, then the amount of the security device must be increased by \$50,000 for each location over six, up to a maximum of \$250,000. The security device must

be in a form satisfactory to the commissioner and must run to the state for the benefit of any claimants against the licensee to secure the faithful performance of the obligations of the licensee with respect to the receipt, handling, transmission, and payment of money in connection with the sale and issuance of payment instruments or transmission of money. In the case of a bond, the aggregate liability of the surety in no event shall exceed the principal sum of the bond. Claimants against the licensee may themselves bring suit directly on the security device or the commissioner may bring suit on behalf of these claimants, either in one action or in successive actions.

WHO TO CONTACT – Contact Financial Institutions Division licensing staff by phone at 651-539-1600 or send your questions via e-mail to robin.brown@state.mn.us for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.