



TX-DOB Money Transmission License New Application Checklist (Company)

CHECKLIST SECTIONS

- [General Information](#)
- [License Fees](#)
- [Requirements Completed in NMLS](#)
- [Requirements/Documents Uploaded in NMLS](#)
- [Requirements Submitted Outside of NMLS](#)

GENERAL INFORMATION

The Texas Department of Banking (“Department”) participates in the Multistate Money Services Businesses Licensing Agreement Program (MMLA), which creates a more efficient money service business licensing process among state regulators. If your company is seeking money transmitter licensure in more than five (5) states, participation in the MMLA may be right for you. See the [Multistate MSB Licensing Agreement Program page](#) of the NMLS Resource Center for more information.

Who Is Required to Have This License?

Texas Finance Code (Code), Chapter 152 (Chapter 152), generally requires a person or business to have a license to engage in the money services business in Texas. There are two types of Money Services Business licenses and separate applications for each type. A person or business that engages in the money transmission business must have a money transmission license. Money transmission means 1) selling or issuing payment instruments to a person located in this state; 2) selling or issuing stored value to a person in this state; 3) receiving money for money transmission services from a person located in this state; 4) includes payroll processing services, and does not include the provision of solely online or telecommunications services or network access.

A person or business that engages **only** in the currency exchange business must have a currency exchange license. Currency exchange means receiving 1) the currency of one government and exchanging it for the currency of another government; 2) a negotiable instrument, as defined by Section 3.104, Business & Commerce Code, and exchanging it for the currency of another government.

Certain requirements for a money transmission license are different from the requirements for a currency exchange license. Please read Chapter 152 to determine if you are engaged in a business that requires a license and what kind of license you need. Refer particularly to Sections 152.003 (definitions), 152.004 (exemptions), and 152.101 (money transmission license required) of the Code. Licenses do not expire.

The filing of an application for a Money Services Business (Application) for a new license or requesting an application or otherwise corresponding with the Texas Department of Banking about the need for a license or about your application, does not authorize you to engage in business activities that require a license under Chapter 152. If you are operating without the required license, you are violating Chapter 152 and you are subject to enforcement action and penalties. Refer particularly to Sections 152.401 (injunctive relief), 152.402 (cease and desist orders for unlicensed persons) and 152.254 (unauthorized activities) of the Code.

Summary of Application Requirements

To apply for a Money Services Business license, you must file a License Request in NMLS. The Application consists of the forms, schedules, exhibits and attachments that are explained in this checklist. In addition, you must mail the documents under the requirements submitted outside of NMLS section of this checklist directly to the Department. Completed application requirements that must be submitted outside of NMLS should be mailed to:

For U.S. Postal Service & Overnight Delivery:

*Texas Department of Banking
Corporate Activities Division
2601 North Lamar Blvd.
Austin, TX 78705-4294*

The Application must be fully completed, and all of the required information must be provided. You must respond to each question, even if the answer is "None" or Not Applicable". Be sure to:

1. Provide complete addresses, including zip codes.
2. Sign each form where required.
3. Have signatures notarized as required.
4. Cross-check the information BEFORE you submit the Application to ensure accuracy and consistency in the information provided.

In accordance with the USA PATRIOT Act of 2001 and the Department of Treasury's Title 31 CFR Chapter X, pertaining to anti-money laundering programs for Money Services Businesses, each applicant must be aware of the requirements of the law and its implementation deadlines. Money Services Businesses currently established must be in compliance with these requirements, including a current registration with Financial Crimes Enforcement Network (FinCEN), a division of the U.S. Department of Treasury, www.fincen.gov as a Money Services Business.

Activities Authorized Under This License

This license authorizes the following activities...

- Issuing or selling prepaid access cards and instruments such as checks, money orders and traveler's checks
- Receiving money for transmission
- Foreign currency dealing or exchanging
- Providing third-party bill paying services
- Transporting currency
- Accelerated payment programs
- Payroll processing services
- Currency exchange (when requested as part of an application for money transmission)

The Department has an application solely for currency exchange activities located outside NMLS at [Money Service Business Application Solely for Currency Exchange](#).

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Confidentiality

Review Chapter 152 of the Code thoroughly prior to completing the application form.

Information submitted in connection with the application may be subject to disclosure under the Open Records Act and Chapter 152 of the Code. Confidential information should be clearly marked when submitted.

Agency Contact Information

Please direct any questions regarding a Money Services Business Application or a proposed new license to the Texas Department of Banking, Corporate Activities Division, at (512) 475-1294 or kimmy.mazulo@dob.texas.gov.

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

NMLS ID Number	
Applicant Legal Name	

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	TX-DOB Application Fee: \$10,000.00. The filing fee is non-refundable. NMLS Initial Processing Fee: \$0	NMLS (Filing submission)
Note	Investigation Fees: In addition, the Department may charge investigation fees for processing applications that take longer than normal or where an onsite investigation is necessary. You will be notified before any investigation fees are imposed.	N/A

REQUIREMENTS COMPLETED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.	NMLS
<input type="checkbox"/>	<p>Financial Statements: Upload an audited financial statement <u>for the applicant</u> prepared by an independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles. Please note the audited financial statement requirement also applies to start-up entities. These entities may provide an opening day/initial audited balance sheet only. The audited financial statement must:</p> <ul style="list-style-type: none"> • Include the most recent fiscal period and for the two-year period proceeding application submission, if applicable. • Be prepared for the applicant only, but may include subsidiaries of the applicant. Consolidated financial statements for the parent including the applicant (i.e. as a subsidiary) will not be accepted by the Department. <p>Tangible Net Worth: Section 152.351 of the Code requires that the financial statement illustrate a company's tangible net worth in an amount of not less than the following:</p> <ol style="list-style-type: none"> 1. For an applicant with total assets in an amount not greater than \$100 million, the greater of \$100,000 or 3 percent of the value of the applicant's total assets. 2. For an applicant with total assets in an amount greater than \$100 	NMLS Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.

REQUIREMENTS COMPLETED IN NMLS

Complete	TX-DOB Money Transmission License	Submitted via...
	<p>million and not greater than \$1 billion, the sum of \$3 million and 2 percent of the additional assets in excess of \$100 million; and</p> <p>3. For an applicant with total assets in an amount greater than \$1 billion, the sum of \$21 million and 0.5 percent of the additional assets in excess of \$1 billion.</p> <p>Tangible net worth under this section must be demonstrated at time of application by the applicant's most recent audited financial statement under Section 152.104(c)(6).</p>	
<input type="checkbox"/>	<p>Interim Financial Statements: If the applicant's fiscal year ends 120 or more days prior to the date of application, then the applicant must upload a quarterly financial statement. <u>The interim financial statement covering the most recent quarter-end must be as of a date within 90 days of the date of application.</u></p> <p>Note: The quarter-ended financial statement must be prepared by the applicant's auditor or other qualified party. The required financial statements must be in English and denominated in U.S. Dollars.</p>	<p>NMLS</p> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>
<input type="checkbox"/>	<p>Resident/Registered Agent: The Resident/Registered Agent must be listed under the Resident/Registered Agent section of the Company Form (MU1).</p> <p>Note: The resident/registered agent is the entity that will receive service of legal process on behalf of your company in the state identified.</p>	NMLS
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> Primary Company Contact. Individual who is to serve as primary contact for questions on the application. Primary Consumer Complaint Contact. Individual who is to serve as primary regulatory contact with the Department if the license is granted. 	NMLS
Note	<p>Non-Primary Contact Employees: TX-DOB does not require any non-primary contacts to be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p>	N/A
<input type="checkbox"/>	<p>Approvals and Designations: Enter the FinCEN Registration Confirmation Number into the <i>Approvals and Designations</i> section of the Company Form (MU1).</p>	NMLS
Note	<p>Qualifying Individual: The <i>Qualifying Individual</i> section is not required to be completed for TX-DOB on the Company Form (MU1).</p>	N/A

REQUIREMENTS COMPLETED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable Control Person or Key Individual before it is able to be submitted along with the Company Form (MU1). See Section 152.003(8) of the Code for definitions of control and Section 152.061 of the Code for definition of presumption of control.	NMLS
<input type="checkbox"/>	Credit Report: Individuals in a position of control are required to authorize a credit report through NMLS.	NMLS Authorize a credit report in NMLS
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check (CBC) Requirements: Extensive background checks are conducted on each applicant as well as Control Persons and Key Individuals. See also Supplemental Forms section below for additional requirements.</p> <p>Each Control Person and Key Individual must authorize a FBI criminal background check through the submission of Individual Form (MU2) unless the person is currently outside of the U. S. and has resided outside of the U. S. for the 10-year period preceding the submission of the application.</p> <p>See the Quick Guides - Company section of the NMLS Resource Center for more information.</p> <p>Please note that Control Persons and Key Individuals who have resided outside the U.S. at any time in the preceding 10 years, must have an investigative background report prepared by an acceptable search firm. See Search Firm Report section below for additional requirements.</p> <p>Note: If you are able to 'Use Existing Prints' to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	TX-DOB Supplement to MU1 Disclosure Questions: Use the following link to access the Supplement to NMLS MU1 Disclosure Questions .	Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Controlling Entities Financial Statements: Legal Entities directly or indirectly controlling 50% or more of the applicant must submit a current certified financial statement.	Upload in NMLS: under the Document Type <u>Additional Requirements</u>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
	Note: The financial statement must be prepared by an auditor or other qualified party. The required financial statements must be in English and denominated in U.S. Dollars.	in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Publicly Traded Entities: <ul style="list-style-type: none"> If the applicant is a publicly traded corporation, upload a copy of the most recent report (10k or 10q) filed with the United States Securities and Exchange Commission under Section 13, Securities Exchange Act of 1934 (15 U.S.C. Section 78m). If the applicant is a wholly owned subsidiary of a corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed (10k or 10q) under Section 13, Securities Exchange Act of 1934 (15 U.S.C. Section 78m). 	NMLS Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Disclosure Questions: Provide a complete and detailed explanation and document upload for each "Yes" response to Disclosure Questions made by the company or related Control Persons and Key Individuals (MU2). Note: A separate explanation and document upload is needed for each "Yes" response. Upload a copy of any applicable orders or supporting documents in the <i>Disclosure Explanations</i> section of the Company Form (MU1). See the Company Disclosure Explanations Quick Guide for instructions.	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
<input type="checkbox"/>	Other Trade Name: If operating under a name that is different from the applicant's legal name, that name ("Trade Name", "Assumed Name" or "DBA") must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1). TX-DOB does not limit the number of other trade names. If a name other than the legal name of the applicant is to be used in Texas, upload copies of the assumed name filings, as applicable, filed with the Texas Secretary of State or with the clerk of court in the counties where the applicant proposes to do business. This document should be named <i>[State-License Type] Trade Name / Assumed Name</i> .	NMLS Upload in NMLS: under the Document Type <u>Trade Name/Assumed Name Registration Certificates</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Management Chart: Upload a Management chart displaying the applicant's Board of Directors, Board of Managers, and other Key Individuals (provide individual name and title). This document should be named <i>[Company Legal Name] Management Chart</i> . Note: If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.	Upload in NMLS: under <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	Supplemental Forms: A number of forms are considered supplemental forms and must also be uploaded in each Individual MU2. Refer to the instructions below to determine which of these supplemental forms must be completed. Unless indicated to the contrary, all requirements for supplemental forms apply	Upload in NMLS: under the <u>Individual Document Upload</u> Section of the

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	TX-DOB Money Transmission License	Submitted via...
	<p>only to individuals.</p> <p>Key Individuals</p> <p>Key individuals must submit:</p> <ul style="list-style-type: none"> Authority to Release Information– Form Supplemental Page – Form <p>Control Persons</p> <p>Control Persons must submit:</p> <ul style="list-style-type: none"> Authority to Release Information – Form Supplemental Page – Form Personal Financial Statement– Form <p>Note: Personal Financial Statements, whether required only for an individual or for an individual and spouse, may include joint financial information for both spouses. Joint financial statements must be signed by both spouses.</p> <p>Complex Organizational Structures</p> <p>Supplemental form requirements for complex organizational structures will be evaluated on a case-by-case basis. Pre-submission of the organizational chart and proposed structure may be necessary to determine the applicability of various forms.</p>	Individual Form (MU2).
<input type="checkbox"/>	<p>Organizational Chart/Description: If the applicant is not a sole proprietorship, upload a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> Direct Owners (total direct ownership percentage must equate to 100%). Indirect Owners. Subsidiaries and Affiliates of the applicant, and whether any related entities are publicly traded. <p>This document should be named <i>[Company Legal Name] Organizational Chart/Description</i>. Please include the tax identification numbers, addresses, as well as the state/country of formation and date of formation of all entities listed above either (1) on the organizational document or (2) uploaded under separate cover.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single Organizational chart.</p>	Upload in NMLS: under <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	<p>Formation Documents: Determine classification of applicant’s legal status and submit a State certified copy of the requested applicable documentation detailed below. Provide original formation documents and all subsequent</p>	Upload in NMLS: under <u>Formation Document</u> ” in the <i>Document Uploads</i>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
	<p>amendments, thereto including a list of any name changes.</p> <ul style="list-style-type: none"> Upload a copy of the filed applicant's Certificate of Formation or other organizing documents; Upload evidence of registration with the Texas Secretary of State, if the applicant is not a Texas entity. <p>Note: If the applicant is applying as a Texas corporation, limited liability company or limited partnership, or if the applicant is a foreign corporation (e.g., a corporation not incorporated in Texas) wishing to register to do business in Texas, contact the <i>Texas Secretary of State, Corporations Section at (512) 463-5555 or P.O. Box 13697, Austin, Texas 78711-3697</i></p>	<p>section of the Company Form (MU1).</p> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p>
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate:</p> <ul style="list-style-type: none"> Upload a Certificate of Good Standing in the state or country of incorporation. If a corporate entity is proposed as a controlling shareholder, upload a copy of the entity's Certificate of Good Standing. <p>This document should be named <i>[State prefix] Certificate of Good Standing or [State prefix] Franchise Tax Account Status</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Business in Texas: Provide the following information:</p> <ul style="list-style-type: none"> Has the applicant, its parent or an affiliated entity conducted business in Texas and/or with Texas customers as contemplated by Section 152 of the Code? <ul style="list-style-type: none"> If yes, Indicate how long. Provide the volume of business in Texas in dollars and number of transactions per year. If the applicant has been operating in Texas as an agent for another licensee, indicate how long the applicant has been an agent, and provide a copy of the contract with that licensee. 	<p>Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Bank Account: The following bank account information must be completed in the <i>Bank Account</i> section of the Company Form (MU1).</p> <ul style="list-style-type: none"> Applicant's clearing accounts to be utilized in the business. <p>The Department's policy is that a MSB's primary clearing account must be in a bank chartered and regulated by a state or U.S. governmental agency.</p> <p>Upload a letter from the bank's compliance officer, for each clearing account to be utilized in the business, indicating that the bank is aware that the applicant's accounts are being used to facilitate money transmission. The letter should also indicate if there are any restrictions/conditions placed on this account by the bank before they allow the applicant to use it for Money Transmission activity (i.e. license granted, etc.)</p> <p>The letter must also include the following information:</p>	<p>Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
	<ul style="list-style-type: none"> Name of Financial Institution Street Address Contact Person Phone and fax numbers Account type Account number 	
<input type="checkbox"/>	<p>Authorized Agents (Delegates) Locations: If the company will be using authorized delegates, they must:</p> <ul style="list-style-type: none"> Upload in NMLS under <u>Additional Requirements</u>, a list of the applicant's proposed authorized delegates and the locations in this state where the applicant and the applicant's authorized delegates propose to engage in money transmission; and, Upload into NMLS the following documents under <u>Document Samples</u> in the Document Upload section of the MU1: <ul style="list-style-type: none"> Written policies and procedures reasonably designed to ensure that the licensee's authorized delegates comply with applicable state and federal law; Authorized delegate affiliation notice that complies with Section 152.253 of the Code and 7 Texas Administrative Code §33.51(f); and Sample of an Authorized Delegate Agreement that conforms to Section 152.252 (d)(1)-(9) of the Code. 	<p>Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the Document Uploads section of the Company Form (MU1).</p> <p>This document should be named <i>[Company Legal Name] Authorized Delegate List</i>.</p>
<input type="checkbox"/>	<p>AML/BSA Policy: Upload an Anti-Money Laundering (AML) / Bank Secrecy Act (BSA) Policy. The applicant will have in place a formally adopted and fully implemented written anti-money laundering program that complies with Title 31 Code of Federal Regulations §1022.210. Such program shall include a risk assessment and procedures employed to "Know your customer".</p> <p>This document should be named <i>Internally Approved Date: [mm/dd/yyyy]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>AML/BSA Policy</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> Marketing strategies Products Target markets Fee schedule Operating structure the applicant intends to employ. Method and types of operations including activities and types. Location of operations and outlets, number and type, at the end of each of the first two years of operation in Texas. Indicate if service is to be provided through company owned outlets, subsidiaries or affiliates, authorized delegates, internet or other. Indicate if you will provide products or services to Texas customers as an authorized delegate of another licensee. Provide the name of the licensee. 	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	<p>Flow of Funds Structure: Submit a chart and description of each type of transaction or service to be conducted. For each type, describe each step starting with the first encounter with the customer and ending at the completion of the transaction when funds are received by the beneficiary.</p> <p>This document should be named <i>Flow of Funds Structure</i>.</p> <p>Note: If submitting multiple types of transactions or services to be conducted, combine in single document for upload.</p>	<p>Upload in NMLS: under <u>Flow of Funds Structure</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Special Business Plan Requirements: If the applicant's business plan involves any of the types of business plans listed below, then provide the information for the applicable business type.</p> <p>Prepaid Access Plans</p> <p>Applicants planning to issue prepaid access products, including services in which balances can be accessed electronically, such as by telephone or over the Internet, must provide the following:</p> <ul style="list-style-type: none"> • Details about how the prepaid access program(s) will work. Include information about loading, reloading, activation of the cards, and projected total outstanding balance on cards at the end of the first and second years. Indicate whether the card can be loaded or reloaded from outside of the United States. • Describe how the Texas Department of Banking will have access to necessary records and personnel in order to effectively conduct examinations. • If applicable, a copy of the written agreement or contract between the applicant and the card issuing bank. • A Provider Agreement that clearly identifies the provider, which is the party responsible for recordkeeping, of the prepaid access program. • Provide copies of the applicant's or processor's SSAE16, Standards for Attestation Engagements (formerly SAS70 II). <p>Virtual Currency</p> <p>Applicants with business plans revolving around virtual currency, including stable coins, must refer to the Texas Department of Banking's Supervisory Memorandum - 1037 revised on April 1, 2019 (SM-1037), which outlines the regulatory treatment of some common types of transactions involving cryptocurrency.</p> <p>Additionally, such applicants with business plans involving virtual currency, including through an affiliate must provide the following:</p> <ol style="list-style-type: none"> 1. At any time, has the applicant and/or parent or an affiliate of the applicant offered or plan to offer earn programs, interest, yield, or similar products to customers relating to fiat or cryptocurrency received from the customer? <p>If yes, indicate in the comment section and attach supporting documentation:</p>	<p>Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>[Company Legal Name] Texas Business Plan Supplement</i>.</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	TX-DOB Money Transmission License	Submitted via...
	<p>a) Entities that offer or have offered such products</p> <p>b) Service period (i.e., January 2019 to current)</p> <p>c) Brief explanation of how each applicable product works</p> <p>d) Brief explanation of revenues sufficient to pay customers under the product are generated</p> <p>e) Brief explanation as to how such products comply or are exempt from securities laws</p> <p>f) Samples of the customer-facing agreements, terms, and conditions applicable to these products and disclosures given to customers regarding these products</p> <p>g) The most current outstanding amounts lent out or otherwise re-invested, segregated by each state, and by fiat or cryptocurrency (i.e., bitcoin, USDC, etc.). Include the identities of the borrowers or other recipients of those investments and indicate their relationship with the applicant, parent, or applicable affiliate</p> <p>h) Discuss potential negative impact on the financial condition of the applicant as a result of offering such products, such as invested/lent amounts being uncollectible</p> <p>2. Does the applicant report or plan to report any assets and liabilities denominated in native tokens?</p> <p>If yes, indicate the most current outstanding or prospective balances.</p> <p>3. Does the applicant and/or through a custodian, commingle or plan to commingle customer funds or assets with their own funds or assets, or other funds or assets?</p> <p>If applicable, how does the applicant segregate customer funds and assets from other funds and assets?</p> <p>*The applicant <u>must be prepared</u> to provide the following if requested by the Department:</p> <ul style="list-style-type: none"> Third-party security audit of their relevant computer systems. The last paragraph of SM-1037 outlines three requirements specific to virtual currency companies that includes a requirement for the security audit. The scope of the security audit must address network security, website and web application security, application server security, virtual currency wallet infrastructure security and controls, information security policy assessment and application development controls and policy assessment. <p><i>Accelerated Payment Programs</i></p> <p>Applicants with business plans including accelerated payment programs must provide the following:</p> <ul style="list-style-type: none"> Provide a copy of the program enrollment form. 	<p>*The third-party security audit <u>should not</u> be uploaded to NMLS.</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
	<ul style="list-style-type: none"> Explain how a prospective customer learns about the product or service. Explain the enrollment process, including authorization for ACH debit. Provide a copy of the customer enrollment form. Provide copies of any agreements with third-parties marketing or selling the products or services. Provide a flow-of-funds chart showing how customer accounts are debited. Describe in detail the internal controls, including procedures for bank account and customer account reconciliations. Include procedures for handling funds collected but not remitted (held for later payment). 	
<input type="checkbox"/>	<p>Digital Asset Service Provider Report: Pursuant to Section 160.005 of the Code, each Digital Asset Service Provider as defined in Section 160.001(6) of the Code must provide the report required by Section 160.004(d) of the Code.</p>	<p>Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the Document Uploads section of the Company Form (MU1).</p> <p>This document should be named <i>[Company Legal Name] Digital Asset Service Provider Report</i>.</p>
<input type="checkbox"/>	<p>Projections: Upload financial statement projections and projections reflecting the expected volume of money transmission in Texas and the applicant's financial projections. Include:</p> <ul style="list-style-type: none"> Pro forma financial statements (income statement and balance sheet) demonstrating that the applicant will both generate revenue to be profitable and maintain sufficient capital to meet the Department's minimum tangible net worth requirement (at least two years or until sustained profitability). Projections showing the anticipated growth in dollar volume and in number of transactions during each of the first two years of operations in Texas. Projected total outstanding balance on customer's stored value fiat and/or stablecoin accounts in Texas only at the end of the first and second years of operations, if applicable. <p>Note: If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>[Company Legal Name] Projections</i>.</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	Agreements: <ul style="list-style-type: none"> Upload copies of any agreements between the applicant and any affiliates or subsidiaries related to the money transmission activity. Upload copies of any customer agreements and/or applicant terms and conditions. 	Upload in NMLS: under the Document Type <u>Document Samples</u> in the Document Uploads section of the Company Form (MU1)
<input type="checkbox"/>	IT Questionnaire: Use the following link to access the IT Questionnaire - Link The applicant must also be prepared to provide a third-party assessment, audit, test, or combination of the applicant's relevant computer systems.* *The audit, test or combination should not be uploaded to NMLS.	Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the Document Uploads section of the Company Form (MU1).
<input type="checkbox"/>	Document Samples: Upload copies of the following documents, if applicable, used in the regular course of business in connection with certain license types as required by Texas. <ul style="list-style-type: none"> Customer complaint notice that complies with the requirements of Texas Administrative Code §33.51. Currency exchange receipt in compliance with Texas Administrative Code §33.33. Sample of the traveler's check, money order, check, or similar instrument. Transmission receipt in compliance with Sections 152.303, 152.304 and 278.051 of the Code and 12 CFR §1005.31, as applicable. This document should be named <i>[Name of Document Sample]</i> .	Upload in NMLS: under <u>Document Samples</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
<input type="checkbox"/>	COVID-19 Certification: Pursuant to Texas Health & Safety Code Section 161.0085(c), please provide documentation certifying that the Applicant does not, and will not, require that customers provide documentation certifying COVID-19 vaccination or post-transmission recovery ("Vaccination Passports") in order to receive products and services.	Upload in NMLS: under the Document Type <u>Additional Requirements</u> in the Document Uploads section of the Company Form (MU1).
<input type="checkbox"/>	Permissible Investments: Pursuant to Texas Finance Code Section 152.355, please provide a copy of Applicant's Permissible Investment policy as related to the maintenance of permissible investments. Name this document [Company Legal Name] Permissible Investments. Note: TFC 152.356 lists all types of permissible investments. Exceptions and limits can be imposed by Commissioner.	Upload in NMLS: under Permissible Investments in the Document Uploads section of the Company Form (MU1).

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	<p>Security: Complete one of the following pursuant to Section 152.352 of the Code and the additional security requirements of Section 152.354 of the Code:</p> <p>1. Submit an Electronic Surety Bond via NMLS furnished & submitted by a surety company authorized to conduct business in Texas. See the ESB Adoption Table and the ESB for NMLS Licensees Page; or</p> <p>2. Provide a paper issued surety bond issued by a company authorized to do business in Texas or deposit in lieu of surety bond from an acceptable financial institution. Use the Security Forms Link to complete this requirement.</p> <p>Note: The amount of the required security for a money transmission licensee is the following:</p> <ol style="list-style-type: none"> 1. for a licensee with a tangible net worth in an amount not greater than 10 percent of the licensee's total assets, the greater of: <ol style="list-style-type: none"> a. \$100,000; or b. 100 percent of the licensee's average daily money transmission liability in Texas for the most recently completed three-month period, up to a maximum amount of \$500,000; or 2. for a licensee with a tangible net worth in an amount greater than 10 percent of the licensee's total assets, \$100,000. 	<p>1. Electronic Surety Bond in NMLS</p> <p>OR</p> <p>2. Upload in NMLS under <u>Surety Bond</u> in the <i>Document Uploads</i> section of the Company Form (MU1)</p> <p>Titled: <i>MT Surety Bond.</i></p> <p>AND Mail original paper surety bond to TX-DOB at: Texas Department of Banking, Corporate Activities Division 2601 N. Lamar Blvd. Austin, TX 78705-4294</p>

NMLS ID Number	
Applicant Legal Name	

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS		
Complete	TX-DOB Money Transmission License	Submitted via...
<input type="checkbox"/>	<p>Security: <i>(FOR DEPOSIT IN LIEU OF BOND)</i> Submit the original security in the amount described above. Use the Security Forms Link</p> <p>Note: A deposit in lieu of bond requires prior approval of the Commissioner pursuant to Section 152.352.</p>	Mail to TX-DOB
<input type="checkbox"/>	<p>Search Firm Reports/Third Party Investigative Reports: Control Persons and Key Individuals</p> <p>Must provide a search firm report prepared by an independent search firm that both meet the requirements of Section 152.105(c) of the Code. The report must be submitted directly to the Department by the search firm.</p>	Mail to TX-DOB