

Uniform Authorized Delegate Reporting

Request for Public Comments

October 1, 2012 – November 7, 2012

The State Regulatory Registry invited public comments on the Uniform Authorized Delegate Reporting during a public comment period from October 1, 2012 to November 1, 2012. Four individuals or organizations submitted comments during the comment period.

The comments are contained in this document as received, without editing. Comments received in email format were copied exactly as submitted and pasted in the comments section of the table with the submitting individual's name and company displayed. Comments received as an email attachment or via USPS are displayed as submitted in their original format. These comments are noted in the table and numbered accordingly as attachments.

Comments are listed in the order received. Comments received without full name or contact information are not included.

Nationwide Mortgage Licensing System & Registry

NMLS Mortgage Uniform (MU) Forms and Policy Guidebook - Public Comments – January to March 2011

#	Date	Name & Company	Comments
1	10/2/2012	Stephen M. Ross NFinanSe	<p>We currently hold money transmission licenses in 43 states with 15,000 agents. I have 6 states using the NMLS system.</p> <ol style="list-style-type: none"> 1. The use of EIN will place a great burden on us as only one state currently requires that information, we don't have it and there is no place to gather that information easily. Additionally corporate owned locations of chains may only have a single EIN. This item would be very expensive and time consuming to implement. 2. The ability to upload bulk data is critical. Since most agent lists are maintained in excel there needs to be a tool like the one used by NC to convert an excel file to the exact format expected for upload. There also needs to be a way to add or update a single record. 3. Addresses are provided by the stores. The check should tell exactly what in the address is a problem not that the whole address is bad with no detail. If the address is validated and in use by the store then what recourse is there to force the address on the system. Will the system provide the correct USPS address format like many shopping sites will and allow you to accept that version? Postal service address checks usually will return a full +4 Zip which is not part of our address database so the system needs to allow for a 5 digit zip. 4. If someone else uploads a location already in the system will the files have to be an exact match to avoid rejection? Say the address uses ST on one and STREET on the other or some other variation on the address like Second or 2nd. It would be good to have the system present the information already loaded and allow you to accept that version or reject it. 5. The MSB identifier field would have to be unique to the associated agency as several companies may have their own number all associated with one agent.
2	10/26	Gail Preziosi Check Free Pay Biller Solutions	<p>Re: CheckFreePay Corporation, NMLS Company ID #908760</p> <p>CheckFreePay holds money transmitter licenses in 47 states. We have over 18,000 authorized delegate locations. We receive a monthly list from our IT Reporting Section which contains all our delegates, run by state, and certain identifying information. The standard being: delegate name, physical address, telephone number, start date, last collection date and our internal assigned delegate number based on state abbreviation and 4 digit assigned number, ie. AZ0001. Legal names, contact names, DBAs and EINs are included in the monthly list only if that information was entered at time of set-up.</p> <p>Challenges faced collecting and maintaining authorized delegate location information, as defined in Appendix A:</p> <ol style="list-style-type: none"> 1) For the majority of our delegate locations, the legal name of the agent is not currently listed in the reports used to report delegates to our states. We have the information, but will need to access

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			<p>agent contracts and other databases to retrieve. We would need additional resources to aid us in obtaining this information.</p> <ol style="list-style-type: none"> 2) EIN – Same as #1. 3) DBAs – Same as #1. 4) We do not have mailing addresses, only physical addresses. 5) Many of our agents are larger box stores, the store manager is our contact. Since that position can change often, we would need to list as "Store Manager" instead of an individual name. 6) Conducts Business in other states - This information is not available. <p>Technology challenges submitting location rosters and updates electronically thru NMLS:</p> <ol style="list-style-type: none"> 1) To date we have not encountered any problems uploading any information into NMLS, although those files are pdfs only. As long as Excel or csv files are acceptable, we should be able to upload. <p>Additional comments:</p> <ol style="list-style-type: none"> 1) NMLS fees for authorized delegate: Since we have over 18,000 delegate locations, we would appreciate a flat fee scenario. Keeping in mind that there are many smaller MSBs, with far less delegates, perhaps a flat fee determined by the number of delegated involved, ie. 1-100 delegates = \$100, 101-500 delegates = \$150, over 500 delegates = \$200 limit. <p>Thank you for providing this opportunity to comment on the upcoming functionality.</p>
3	11/2/2012	<p>Mabel Wilson Blackhawk Network</p>	<p>To whom it may concern:</p> <p>Blackhawk Network California, Inc. ("Blackhawk") was established for the purpose of developing, issuing and selling prepaid card-based stored value products and services. Blackhawk offers a prepaid card reload network, consisting of grocery, convenience, drug and other retailers ("Authorized Delegates") and Blackhawk's websites. Blackhawk currently holds money transmission licenses in 45 states plus the District of Columbia. Blackhawk's ultimate parent company is Safeway Inc., a Fortune 100 company.</p> <p>Blackhawk appreciates the opportunity to comment upon the issues raised in the document <i>NMLS Request for Public Comment: Agent/Authorized Delegate Functionality</i> and topics discussed during the webinar on October 11, 2012, and submits the following comments to the Conference of State Bank Supervisors (CSBS) for consideration. Please note that Agent and Authorized Delegate are used interchangeably in this submission.</p> <p>Please acknowledge receipt of this submission.</p> <p>*See Attachment 1</p>

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4	11/7/2012	Sean Ruff Morrison & Foerster LLP	The Money Services Round Table submits the attached comments to the State Regulatory Registry in connection with the request for public comment regarding uniform authorized delegate reporting. *See Attachment 2
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From: [Mabel Wilson](#)
To: [comments](#)
Cc: [Cristiane Fernandes](#); [Lily Swift](#)
Subject: Blackhawk Network Submits Comments on NMLS Functionality for Agents/Authorized Delegates
Date: Friday, November 02, 2012 12:03:56 AM

To whom it may concern:

Blackhawk Network California, Inc. ("Blackhawk") was established for the purpose of developing, issuing and selling prepaid card-based stored value products and services. Blackhawk offers a prepaid card reload network, consisting of grocery, convenience, drug and other retailers ("Authorized Delegates") and Blackhawk's websites. Blackhawk currently holds money transmission licenses in 45 states plus the District of Columbia. Blackhawk's ultimate parent company is Safeway Inc., a Fortune 100 company.

Blackhawk appreciates the opportunity to comment upon the issues raised in the document *NMLS Request for Public Comment: Agent/Authorized Delegate Functionality* and topics discussed during the webinar on October 11, 2012, and submits the following comments to the Conference of State Bank Supervisors (CSBS) for consideration. Please note that Agent and Authorized Delegate are used interchangeably in this submission.

Please acknowledge receipt of this submission.

Thanks and regards,

Mabel Wilson

VP Compliance, Blackhawk Network

1. Blackhawk supports the following proposed policies and reporting processes to:
 - a. Allow licensees to submit one Excel/CSV file for all states.
 - b. Allow quarterly submission of location information with the understanding that some states may require more frequent updates.
 - c. Validate Agent/Authorized Delegate physical location address using USPS data.
 - d. Allow multiple licensees to report on the same Agent.

2. Blackhawk provides the following feedback on specific reporting process questions:
 - a. **Does this process create any logistical or technological concerns?**
 The process in general presents no incremental technological or logistical concerns for Blackhawk.
 - b. **How many changes (new locations, terminated locations) should NMLS anticipate over a typical reporting period?**
 New locations: Less than twenty per quarter for all existing Agents but the signing of a new Agent could introduce hundreds of new locations for that new Agent.
 - c. **When reporting changes to existing locations, would licensees find it easier to submit all required location information, or simply a limited set of identifying information (e.g., EIN and Physical Location) and the updated information?**
 Blackhawk would prefer to update only those fields that are changing based a unique identifier for the Agent and the selected store location and not reload all required location information again. (Reference North Carolina's website for uploading Authorized Delegate information and making changes to an existing Authorized Delegate location. it is very easy to use and efficient.)
 - d. **Fee Options:**
 Blackhawk prefers a flat fee for each filing, regardless of number of records submitted

3. Blackhawk provides the following feedback on questions regarding Agent/Authorized Delegate reporting fields:
 - a. **Do licensees currently collect this information on Agents/Authorized Delegates?**
 Blackhawk currently collects information on its Agents /Authorized Delegates.
 - b. **How do licensees keep this information up to date?**
 Agent level information does not change often so that is easy to maintain. Store level personnel contact information changes very frequently, presenting some challenges in terms of receiving the information in a timely manner to allow the licensee to report in a timely manner. For example, for licensees with a large number of Authorized Delegates and store locations, it is conceivable that the same store location address could be reported for different Agents because one Agent failed to report a closure and the other failed to report a new store acquisition.

c. Do licensees use proprietary identifiers when keeping track of Agents/Authorized Delegates?

Blackhawk currently uses proprietary internal identifiers when keeping track of Agents/Authorized Delegates and their locations. We would like to upload these identifiers to NMLS for complete and unique identification of our records.

4. Blackhawk provides the following feedback on listed Agent/Authorized Delegate reporting fields:

a. DBA

As presented in the PowerPoint deck that was shared during the webinar, the field for DBA appears to apply at the Agent's corporate level. One interpretation of DBA is other business aliases while another definition is the name carried on the store front that customers see. It was clarified during the webinar that the latter interpretation was intended. However, it is conceivable that the Agent may have DBAs (aliases) as reported in independent systems such as Dunn and Bradstreet (D&B) and a field for DBA could be construed as the alias.

We suggest that the entry value for the DBA field be clearly defined so that there is no confusion as to what is being required. If this information is being captured at the Agent's corporate level (and also since it is an optional field), we suggest that the DBA be removed altogether or be set to mean the Agent's other business alias.

b. Telephone number

Provide input mask for telephone numbers to ensure consistency and completeness of information uploaded and limit errors and exceptions.

c. Contact Name

This should be the same for the Agent across states. We suggest that the contact name at the Agent corporate level be more specific in terms of function and, preferably, should be that of the designated AML officer for the Agent

Wherever the system requires input of names, provide separate fields for first and last names to ensure completeness of information uploaded.

d. Conducts Business in Other States

As presented in the PowerPoint deck that was shared during the webinar, it is not clear if this field is a yes/No field and if so, which states would be the state of reference. It was explained during the webinar that this field was intended for online stores. It was however not clear whether additional fields would be displayed to capture the list of other states.

We suggest that rather than ask for input in a field, the NMLS system should derive the states of operation from the states loaded as part of the store location physical addresses.

If there is interest in knowing whether a store location is an online store, provide a field for indicating yes/no for online store.

5. Blackhawk provides the following additional feedback for consideration:

a. Use a two-step approach for the initial upload of Agent information.

Blackhawk suggests that the initial upload process be done in two stages as follows:

First, allow licensees to upload information for their Agents using the fields in the PowerPoint deck. This will be information at the Agents' corporate level. Once the data is loaded, complete the cleansing the data and assign the unique NMLS ID to the Agents under the licensee.

After the Agents are properly loaded and uniquely identified in NMLS, allow licensees to add the locations to the Agent's record using the NMLS ID as the primary key. If the Agent has only one location, provide a prompt that allows licensee to indicate that and default the store location information to the Agent's corporate location and contact information.

The store location upload template should include the following fields:

- Licensee's ID (defaulted once licensee's staff signs on to NMLS)
- Agent's NMLS ID
- Licensee's internally assigned store location ID (required)
- Store front name (the name that a customer sees outside the store)
- Store physical location address (with separate fields for city, state and zip code)
- Store manager name (separate fields for first and last name). This information is often difficult to maintain so we suggest that states allow this to be defaulted to the corporate contact name if the store manager name is not available.

- Store telephone number

b. Create unique identifiers for Agents/Authorized Delegates at the corporate level.

Using the EIN and validated physical location to create a unique Agent/Authorized Delegate record could be problematic for licensees with a large number of locations because the physical location for the Agent and make it difficult to track that Agent. Also, it is not clear how historical data for an existing Agent with a new address will be handled.

We suggest that a unique Agent ID be created using the EIN which should be pretty static. If there are privacy concerns, the EIN should be systematically converted to a unique number that stays with the Agent (at its corporate level) regardless of changes in Agent location information

c. Create unique identifiers for Agents/Authorized Delegates store locations.

We suggest that Agent locations be assigned unique identifiers as part of the initial load using a system that is repeatable for the licensee. For example, the Agent location ID could be the licensees internally assigned ID that is uploaded with the store location. The full unique ID for the store location will be the unique EIN (or converted number) for the Agent plus the licensee assigned store ID.

We recommend that every licensee be required to assign internal numbers to store locations before uploading store location information into NMLS. This field should be included on the store location template.

d. Provide the ability for licensee to download its list of Agent and Agent locations.

After the initial data cleansing and on demand thereafter, licensees should be able to download a list of its Agents and Agent locations. Preferably, there should be two downloadable comma separated values (CSV) files: one at the Agent level and the other at the Agent locations level.

e. Include Agent NMLS ID in downloaded reports.

All reports that licenses are allowed to download from NMLS should include, among the other descriptive fields, the unique NMLS ID for the Agent and the unique ID for the Agent's store locations as appropriate.

Authorized delegate report should include:

- Licensee's ID
- Agent's NMLS ID
- Agent's legal name
- MSB provided ID
- Mailing address, city, state and zip code
- Physical location address, city, state and zip code
- Contact person name (separate fields for first and last name)
- Contact telephone number
- Start date
- End date
- Count of store locations

Store location report should include:

- Licensee's ID
- Agent's NMLS ID
- Store location ID
- Store front name
- Store physical location address, city, state and zip code
- Store manager name (separate fields for first and last name)
- Store telephone number

f. Upload process should not reject full file if problems are encountered.

Provide some form of message to let licensee know the results the upload process.

It is expected that Agent records will occasionally fail during the upload process. When that happens, the full file should not be rejected. Instead, the system should accept the good records and create an exception report that provides details of records that failed so that the licensee can modify only those exceptions and resubmit them.

g. Grant licensee time after records reject to correct the records and resubmit.

As part of the initial load process, allowing about 30 extra days for licensees to correct files and resubmit would be most helpful and much appreciated.

h. Provide multi-variable search facility.

Licensees will benefit from a system that allows searches by:

- Licensee's NMLS ID
- Agent's NMLS ID
- Agent Name

Allow filters by state so that licensee can pull reports for a selected state.

i. Allow 45 days after quarter end to upload quarterly files.

For the quarterly update process, allow licensees a period of 45 days after the close of the quarter to upload information for the reporting quarter. This is a reasonable period to allow licensees to validate store level information before submitting data to NMLS.

November 7, 2012

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VIA ELECTRONIC DELIVERY

Regulatory Actions Public Comments
Attn: Tim Doyle, Senior Vice President
State Regulatory Registry
Conference of State Bank Supervisors
1129 20th Street, N.W.
9th Floor
Washington, DC 20036-3403
Comments@stateregulatoryregistry.org

Re: Uniform Authorized Delegate Reporting

Dear Mr. Doyle:

The Money Services Round Table ("TMSRT") submits to the State Regulatory Registry LLC ("SRR") these comments in response to SRR's Request for Public Comment regarding NMLS functionality that would provide a uniform and automated method for state licensed money transmitters to report information concerning authorized delegates to NMLS participating state regulatory agencies (the "Request"). TMSRT members are vitally interested in the development and implementation of the NMLS as an efficient method by which non-depository companies may apply for, amend, renew, and manage state money transmitter licenses.

TMSRT is comprised of the leading national non-bank money transmitters, including RIA Financial Services, Sigue Corporation, American Express Travel Related Services, Western Union Financial Services, Inc., MoneyGram Payment Systems, Inc., and Integrated Payment Systems, Inc. These companies offer a variety of non-bank funds transmission services, often in locations not served by banks and other depository institutions. Examples of offered services include traditional funds transfer through retail points of sale, the Internet, mobile phones, and other avenues.

As noted in the Request, money transmitters are currently required to repetitively file authorized delegate information/reports with the majority of individual state regulatory agencies, often in non-standardized formats and subject to disparate timing requirements.

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Accordingly, and except as set forth in this letter, TMSRT members generally support enhancements to the NMLS system with respect to the collection of authorized delegate information/reports to the extent that such enhancements would: (i) normalize the otherwise time-consuming and resource-intensive administrative task of reporting authorized delegate information/reports to state regulatory agencies; and (ii) not require licensees to submit more information to an individual state than is legally required by such state under its laws and regulations.

1. Licensees Should not be Obligated to Disclose Authorized Delegate Information Except as is Explicitly Required by a Particular State's Laws or Regulations

TMSRT urges the SRR to limit the scope of information shared with any participating NMLS state to the information specifically required by that particular state's statutes and regulations governing the disclosure of authorized delegate information. That is, rather than solving for an individual state or group of states that require unique authorized delegate information by requiring a licensee to provide such unique information to every NMLS participating state, whether or not required by statute or regulation, the NMLS system should only request and then distribute authorized delegate information to those states that have specified by statute or regulation that such information be disclosed. Similarly, the NMLS system should only require changes to previously submitted authorized delegate information to the extent that the participating NMLS states require such disclosures by statute or regulation. To do otherwise would necessarily require licensees to provide information to some states that do not have the statutory or regulatory authority to ask for such information.

Accordingly, TMSRT submits that the best policy, in lieu of the NMLS states revising their statutory and/or regulatory frameworks to require consistent disclosure requirements, is for the NMLS to only require the disclosure of authorized delegate information that is entirely consistent among those participating NMLS states that require licensees to report authorized delegate information. For authorized delegate information requirements that fall outside of this universe of consistent disclosures, TMSRT submits that such unique disclosure requirements should either be addressed: (i) through new NMLS authorized delegate reporting functionality that permits a licensee to report such unique information directly to an individual state or a group of states, or (ii) outside of the NMLS system entirely.

2. Licensees Should not be Obligated to File Authorized Delegate Information Reports More Frequently than is Explicitly Required by a Particular State's Laws or Regulations

Similarly, TMSRT is strongly opposed to reporting frequencies for the proposed uniform authorized delegate reporting functionality that differ from current statutory or regulatory requirements. In particular, the Request provides that "NMLS will automatically place a license item at the end of every calendar quarter prompting the [licensee] to either submit a

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Uniform Authorized Delegate Report containing any changes . . . or attest that no changes took place.” In addition, the Request provides that state regulatory agencies that “require more frequent reporting of changes will have the ability to independently set license items at more frequent intervals.”

Notwithstanding the uniform quarterly reporting requirement proposed in the Request, some states require annual reporting of authorized delegate/agent information or require reporting more than or less than quarterly. Other states, while requiring quarterly reporting, have different deadlines after quarter end in which reports must be filed. As proposed, then, the quarterly reporting requirement would necessarily require licensees to make reports to some states at frequencies that are neither supported nor required by applicable statutes or regulations. Accordingly, TMSRT submits that the best policy would be for NMLS to require the submission of authorized delegate information at the frequency prescribed by each individual NMLS state regulatory agency, as to do otherwise would require licensees to comply with temporal reporting requirements that they are not bound by law to follow.

3. Collection of Employment Identification Numbers (“EIN”)

The Request provides for the creation of a “unique record” that is assigned to each authorized delegate, which “will be driven by an authorized delegate’s EIN and physical address.” As an initial matter, TMSRT points out that currently states do not regularly collect an EIN for authorized delegates. In addition, the collection of an EIN from an applicant or licensee will not always be possible as foreign entities are not issued EINs, and domestic entities that are structured as sole proprietors or partnerships also do not typically utilize EINs. Accordingly, TMSRT inquires as to whether other identifying information will be required from applicants or licensees in order to create the unique authorized delegate record. For example, will Social Security numbers be required of authorized delegates that are sole proprietorships or partnerships, etc.? What identifying information will be required of foreign entities?

In addition, several TMRST members have expressed an interest in the feasibility of NMLS internally mapping the unique NMLS authorized delegate identifier to a licensee’s own internally assigned “agent ID” number. While the EIN or other unique identifier (subject to the comments above concerning EIN availability) and address combination could still be disclosed as verification as set forth in the Request, TMSRT believes that operationally there would be efficiencies achieved if a licensee was able to utilize its own agent ID (i.e., less development time) in order to access its own authorized agent information on the NMLS system.

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4. Collection of Authorized Agent Addresses

The Request provides that an applicant or licensee would be required to submit the physical address of each specific authorized delegate location. In addition, the Request states that NMLS would verify each authorized delegate's physical address via an address verification service supported by the United States Postal Service ("USPS") and would validate that data in all fields is in an acceptable format. If a physical address cannot be verified, or does not meet certain formatting rules, then NMLS would reject the physical address record along with the entire file of which the rejected address was a part.

Currently, it is common for TMSRT members to supply address information manually (i.e., spreadsheet format or included in a letter of correspondence, etc.) to the various state regulatory agencies. This manual method, however, while cumbersome and time consuming, is not subject to verification for formatting, etc. Accordingly, TMRST is concerned about formatting errors that may result from the inclusion of foreign addresses, which may not follow the street, town, state and zip code format for domestic addresses (e.g., the postal codes in Canada have both letters and numerals, and the Request provides that alphabetical characters in a zip code field are unacceptable).

Moreover, as discussed above, the Request indicates that a rejected physical address will result in the rejection of the entire file of which the rejected address or addresses were part. Given the consequence, what is the process for resolving discrepancies that cannot be resolved by a licensee or that are generated due to a problem with the USPS verification service? Will licensees be permitted additional filing time and not be subject to penalties in the case of discrepancies that arise as a result of a problem with the USPS verification service? Will supplemental time be given to remedy a rejected file?

5. Authorized Agent Contact Name

The proposed uniform authorized delegate reporting fields include a requirement for a "contact person." Specifically, the Request defines a "contact person" as any "individual designated to receive any inquiries from the appropriate state regulators regarding business activity at the authorized delegate location." Based on this definition of "contact person," it is TMSRT's view that a "contact person" need not be an employee at the authorized delegate location as often these locations experience high turnover. In addition, employees working at these locations typically do not have the seniority or the background to speak for the

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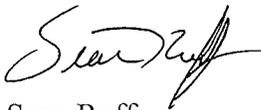
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company as a whole as related to compliance matters. Rather, TMSRT believes that the best policy would be to permit the use of "corporate headquarters" contacts that have company-wide oversight responsibilities.

* * *

TMSRT appreciates the opportunity to respond to the Request regarding these important matters. If you have any questions concerning the above feedback and requests for clarification, or if TMSRT may otherwise be of assistance by providing additional industry information, please do not hesitate to contact me.

Sincerely,



Sean Ruff
Counsel for TMSRT

dc-694993