

2017 NMLS Money Services Businesses Report

This report compiles 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. 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 2017, 18 states required their licensed companies to file the MSB Call Report. 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 2017, or statuses as of December 31, 2017.

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.

Companies reporting MSB Activities in NMLS

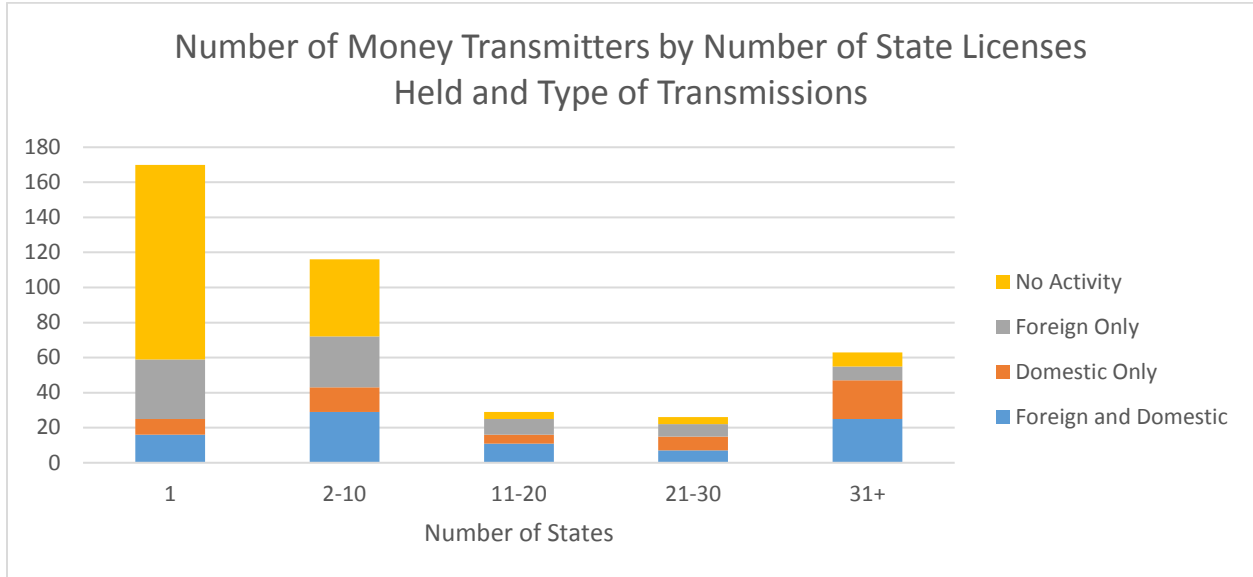
There are 2,005 MSB companies in NMLS that hold a total of 5,729 approved MSB licenses. These companies conduct activity covered by different license types managed in NMLS.

The table below describes the interstate nature of the MSB industry, particularly in money transmission and stored value activity. For example, money transmitters average 10 states in which they conduct business. Check cashing is the most notable exception, where companies tend to operate in just one state.

MSB Activity	Companies in NMLS	Average number of states in which they conduct business
Check cashing	1,634	1
Selling money orders	664	2
Electronic money transmitting	632	10
Bill paying	506	3
Other - money services	218	8
Selling prepaid access/stored value	202	7
Issuing money orders	160	3
Issuing prepaid access/stored value	62	23
Foreign currency dealing or exchanging	48	17
Issuing and/or selling drafts	23	24
Transporting currency	13	6
Selling traveler's checks	9	13
Issuing traveler's checks	4	16

3. Money Transmitters and Uniform Authorized Agent Reporting

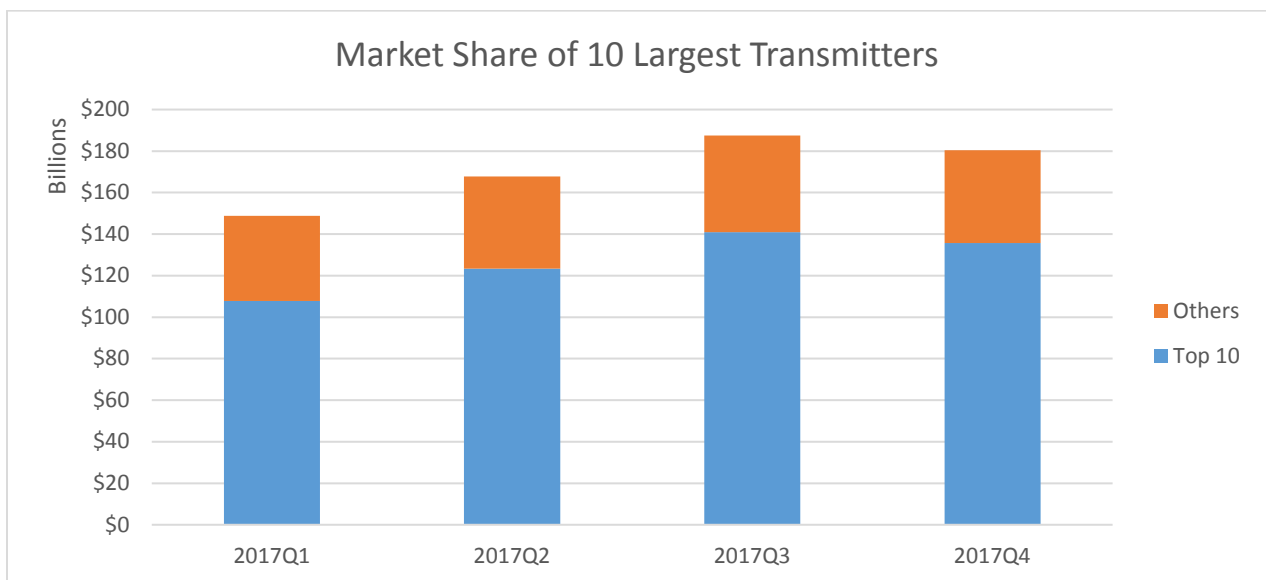
Of the companies in NMLS conducting MSB activity, 382 are licensed as money transmitters. They hold a total of 3,994 approved money transmitter licenses. The rest are check cashers and check sellers. Of the 382 companies licensed to conduct money transmission activities, 272 reported money transmission on the MSB Call Report.



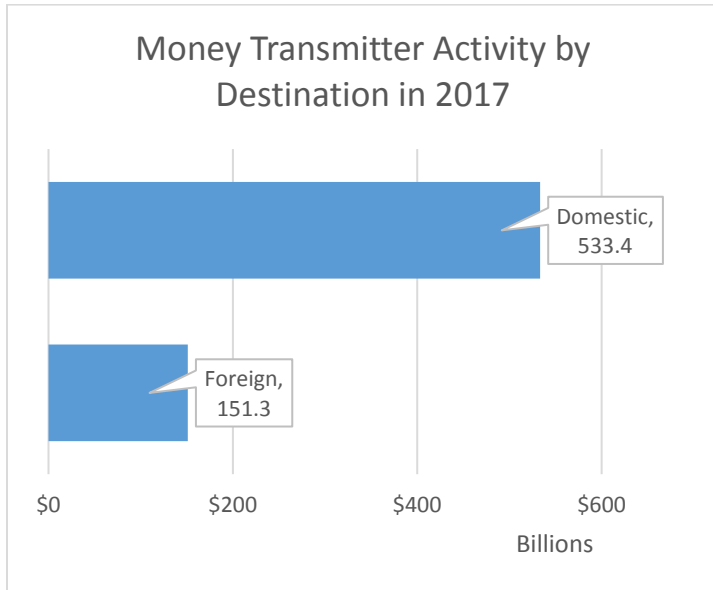
Most of the companies licensed in only one state either report no transmission activity or are companies that specialize in remittances, sending money overseas. Within the categorization of fewer than 10 state licenses, there are also many small payroll and rent payment companies.

Market Share of 10 Largest Money Transmitters

The money transmission industry is highly concentrated. The 10 largest companies accounted for 74% of the \$685 billion transmitted in 2017.



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 2017, foreign transfers comprised 22% of all money transmissions in the United States.

The average transmission amount for each foreign transaction was \$479 in 2017.

Agents in NMLS

NMLS provides functionality to allow money transmitters to upload lists of their authorized agents to state regulators. As of December 31, 2017, 38 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 2017, 198 companies reported 376,313 active authorized agent relationships, and 184 companies reported no agents used.

Number of Agents	Companies
10,000 or more	9
5,000 – 9,999	4
1,000 – 4,999	18
500 – 999	11
100 – 499	24
50 – 99	19
10 – 49	57
Less than 10	56
0 (No Agents Used by Principal)	184