



Request for Public Comment

Proposed Change to the NMLS Money Services Businesses Call Report

February 21, 2024

On behalf of the State Regulatory Registry LLC Board of Managers, the Conference of State Bank Supervisors invites public comments on proposed changes to the NMLS Money Services Businesses Call Report (MSBCR).

Goal of the NMLS Money Services Businesses Call Report

The goal of the MSBCR is to create a nationwide repository of standardized information available to state regulators concerning the financial condition and activities of their Money Services Businesses licensees.

Summary of Items for Comment

The CSBS Non-Depository Supervisory Committee recommends that the NMLS MSBCR integrate the CSBS Money Transmission Modernization Act's permissible investment definitions and to revise or expand the following line items:

1. Revise and Expand PI20
2. Expand PI60
3. Revise and Expand PI70
4. Update PI105

1. Revise PI20 and Expand PI20

Expand PI20 with one new line item and revise the definition of PI20. The MTMA lists qualifications for foreign depository institutions in the MTMA Section 10.04(b)(4).

Line Item	Current Definition	Revised Definition
PI20 Deposits in Foreign Banks (Non- MTMA Compliant)	Cash, time deposits, savings deposits, demand deposits, a certificate of deposit, or senior debt obligation of accounts in foreign banks.	<u>Report all</u> Cc ash, time deposits, savings deposits, demand deposits, certificate of deposits, or senior debt obligation of accounts in foreign banks.

Line Item	Proposed Definition
PI21 Deposits in Foreign Banks (MTMA Compliant)	Report only cash, time deposits, savings deposits, demand deposits, certificate of deposits, or senior debt obligation of accounts in foreign banks where the bank has an eligible rating, is registered under the Foreign Account Tax compliance, is not located in any country subject to sanctions from the Office of Foreign Asset Control, and is not located in a high-risk or non-cooperative jurisdiction as designated by the Financial Action Task Force.

2. Expand PI60

Expand PI60 with two new line items. The MTMA lists new permissible investment categories that should expand

PI60 in the MTMA Section 10.04(b)(1) and MTMA Section 10.04(b)(2).

Line Item	Proposed Definition
PI61 Due from authorized delegates (less than seven days old)	Include all receivables that are payable to the licensee from its authorized delegates in the ordinary course of business that are less than seven days old.
PI62 Due from single authorized delegate in excess of 10% of outstanding transmission liability	Include all receivables that are payable to the licensee from a single authorized delegate in the ordinary course of business that are less than seven days old that exceed 10% of the aggregate value of the licensee's total permissible investments.
PI63 Allowable amount due from authorized delegates (less than seven days old)	PI61 minus PI62

3. Revise and Expand PI70

Expand PI70 with seven new line items. Revise the definition of PI70 to equal the sum of the seven new line items. The MTMA lists new permissible investment categories that would expand PI 70. The investment breakouts are listed in the MTMA Section 10.04(b)(3).

Line Item	Current Definition	Revised Definition
PI70 Investments Rated A or its equivalent and above	Report the amount of investments that are rated A or its equivalent or above. Only include investments that are rated by a nationally recognized organization that rates securities.	Report the amount of investments that are rated A or its equivalent or above. Only include investments that are rated by a nationally recognized organization that rates securities. <u>This should equal the sum of lines PI71 through PI77.</u>

Line Item & Description	Proposed Definition
PI71 Short-term investments	Report the amount of short-term (up to six months) investments bearing an eligible rating.
PI72 Commercial paper	Report the amount of commercial paper bearing an eligible rating.
PI73 U.S. tri-party repurchase agreements	Report the amount of U.S tri-party repurchase agreements collateralized at 100% or more with U.S. government or agency securities, municipal bonds, or other securities bearing an eligible rating.
PI74 Money market mutual funds rated AAA	Report the amount of money market mutual funds rated "AAA" by S&P, or the equivalent from another other eligible rating service.
PI75 Money market mutual funds rated less than AAA or its equivalent and higher than A-	Report the amount of money market mutual funds that are rated less than "AAA" or its equivalent and higher than "A-" by S&P, or the equivalent from any other eligible rating service.
PI76 Mutual funds	Report the amount of mutual funds or other investment funds composed solely and exclusively of cash, certificates of deposit or senior debt obligations of an insured depository institution, obligation of the United States or a commission, agency, or instrumentality thereof, an obligation that is guaranteed fully as to principal and interest by the United States, or an obligation of a state governmental subdivision, agency, or instrumentality thereof.
PI77 Bills, notes, bonds, or debentures	Report the amount of bills, notes, bonds, or debentures bearing an eligible rating that are not listed in PI71 through PI76 or PI90.

4. Update PI105

Clarify the line items included in the subtotal for permissible investment calculation. The calculation for permissible investments according to the MTMA will be done in MSB Call Report Analytics for states who have adopted the MTMA.

Line Item	Current Definition	Revised Definition
PI105 Subtotal for Permissible Investment Calculation	Sum of lines PI 40 through PI 100	<u>Sum of lines PI40, PI50, PI60, PI70, PI80, PI90, PI100. This sum does not take into account any amounts that exceed caps on permissible investments that may be imposed by state law.</u>

Request for public Comment

CSBS is seeking comments from the public on the specific, proposed changes to the MSB Call Report contained in this document.

The MSB Call Report Subcommittee (see Addendum A) will review all comments. The subcommittee will send their responses to the public comments to the NMLS Policy Committee for evaluation and approval or rejection.

Persons submitting comments are encouraged to provide these comments electronically via email to: comments@csbs.org.

Comments may also be submitted in physical form to:

Conference of State Bank Supervisors
Attn: Dave Dwyer, Senior Vice President,
Business Services
1300 I Street NW, Suite 700 East
Washington, DC 20005

Comment submission deadline: Mar. 13, 2024

Addendum A

**NMLS MSBCR
Subcommittee**

REPRESENTATIVE	AGENCY
Mr. Bob Venchiarutti	California Department of Financial Protection and Innovation
Ms. Sabrina Brown	Maryland Office of the Commissioner of Financial Regulation
Ms. Brandi Eble	Kansas Office of the State Bank Commissioner
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