

March 28, 2025

**The Honorable Lyman Hoffman, Donald Olson, & Bert Stedman
Co-Chairs of the Senate Finance Committee
Alaska State Capitol
120 4th St, Juneau, AK 99801**

Re: Comments in Support of SB 86 – Money Transmission Modernization Act

Dear Chair Hoffman, Chair Olson, Chair Stedman, and Distinguished Members of the Committee,

On behalf of the Electronic Transactions Association (“ETA”), the leading trade association for the payments industry, we appreciate the opportunity to provide the comments below in strong support of SB 86 related to adopting money transmission modernization standardization for the state of Alaska.

ETA strongly supports the passage of SB 86 which incorporates the Conference of State Bank Supervisors (“CSBS”) Model Money Transmission Modernization Act (“Money Transmitter Model Law”) into Alaska law. We commend the work of CSBS in bringing together regulators and other stakeholders to develop a uniform, nationwide framework for the regulation of money transmission businesses. Through harmonized standards, the Money Transmitter Model Law will:

1. Facilitate enhanced, coordinated supervision of money transmission businesses.
2. Reduce barriers to entry and compliance costs of critical financial services created by disparate and sometimes conflicting state laws and regulations.
3. Further protect consumers and small businesses through safe, trustworthy, and clear standards for companies and regulators.

Uniform, and comprehensive adoption of the Model Law and regulations will ensure that customers are protected in the same fashion, and payments companies are regulated in the same fashion, across all jurisdictions. It would create a robust single, national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. With 99.8% of the \$4.9 Trillion in reported money transmission volume in 2021 being transmitted by companies licensed in multiple states, uniform adoption of the Model Law would allow businesses to focus on risk detection and consumer protections, while decreasing burdens of State caseloads, and preserving licensing and supervisory efforts.

CSBS recently reported that the boom in fintech payments providers has resulted in the number of money transmitters operating nationwide (licensed in 40 or more states) more than doubling since 2015. Considering the substantial increase in the volume of regulation and oversight required as this industry continues to expand, standardization will be a benefit to regulators in managing workloads more efficiently.

Uniform adoption of the Model Law is critical to protecting users, maintaining U.S. competitiveness, and supporting regulator efficiency. Therefore, ETA supports SB 86 because it would align regulation of money transmission in Alaska with the Model Law that is being adopted in states across the nation.

We appreciate you taking the time to consider these important issues. If you would like to discuss any aspect of our comments, please contact me.

Respectfully Submitted,



Brian Yates
Senior Director, State Government Affairs
Electronic Transactions Association
202.677.7714 | byates@electran.org



March 4, 2025

Members,
Senate Labor and Commerce Committee
Alaska Legislature

By email: Cole.Osowski@akleg.gov

re. Support for Adoption of Money Transmission Modernization Act in Alaska (SB 86)

Dear Chairman Bjorkman and Members of the Committee,

This letter is submitted on behalf of Mastercard Transaction Services (US) LLC (“MTS”),¹ an indirect subsidiary of Mastercard Incorporated, a publicly traded Delaware corporation² to express support for Senate Bill 86, based upon the “Model Money Transmission Modernization Act” (the “Model Law”), in Alaska.

Money Transmission Modernization is an initiative spearheaded by the Conference of State Bank Supervisors (“CSBS”) aimed at creating a single set of nationwide standards and requirements for money transmission companies. The Model Law is intended to create a common regulatory baseline for the regulation of money transmitters across the country, which, as CSBS explains, “*is a crucial step in advancing multistate harmonization in the money transmission industry, as states will be better able to work together in the licensing, regulation and supervision of money transmitters operating across state lines.*”

If enacted uniformly, the Model Law language would create a robust single, national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. Uniform adoption of the Model Law would therefore not only enable a more seamless approach to regulation than the status quo but also help preserve States’ limited resources with respect to licensing and supervisory efforts.

For these reasons, Mastercard supports the alignment of Alaska statutes with the Model Law and SB 86 would enable this. Passage of this bill and subsequent enactment will benefit the state and its citizens.

¹MTS was founded in 1988 and has been focused on cross-border money transmission since its inception. MTS was acquired by Mastercard on July 8, 2019. MTS and its subsidiaries hold money transmitter licenses throughout the United States and offer Mastercard Cross-Border Services to banks, other licensed financial institutions (including licensed money transmitters), and other business entities.

² Mastercard advances global commerce by providing a critical link among financial institutions and millions of businesses, cardholders, and merchants worldwide. In the company’s roles as a franchisor, processor and advisor, Mastercard develops and markets secure, convenient, and rewarding payment solutions, seamlessly processes more than 34 billion payments each year, and provides analysis and consulting services that drive business growth for its banking customers and merchants. With more than 1.15 billion cards issued through its family of brands, including Mastercard®, Maestro® and Cirrus®, Mastercard serves consumers and businesses in more than 210 countries and territories, and is a partner to more than 20,000 of the world’s leading financial institutions. With more than 35.9 million acceptance locations worldwide, no payment card is more widely accepted than Mastercard.



I would be happy to provide further information in support of this request and can be contacted by email at patrick.dwyer@mastercard.com.

Thank you for your attention in this matter.

Your sincerely,

Patrick Dwyer

Vice President, Head of State Government Affairs
Mastercard



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February 19, 2025

Senator Jesse Bjorkman
Senator Click Bishop
Senate Labor & Commerce Committee
Alaska State Senate
120 4th St.
Juneau AK, 99801

Re: SB 86 – Alaska Uniform Money Transmission Modernization Act

Dear Chair Bjorkman and Vice Chair Bishop:

This letter is submitted on behalf of The Money Services Round Table (“**TMSRT**”), a consortium of leading national non-bank money transmission companies.¹

TMSRT has reviewed SB 86, which would make substantial changes to the Alaska Uniform Money Services Act. TMSRT believes that, in its current form, the changes that SB 86 would make with respect to the current money transmission law would largely align the regulation of money transmission in Alaska with the “Model Money Transmission Modernization Act” (the “**Model Law**”). The Model Law was developed by the Conference of State Bank Supervisors (“**CSBS**”) with extensive input from regulators and industry stakeholders. The transparent effort involved hundreds of hours of collaborative meetings among state regulators from across the country, licensed money transmitters, and industry trade groups, as well as input from a variety of consumer and financial services stakeholders. The result was strong consensus support for the Model Law’s money transmission provisions (Articles 1-12).²

The Model Law is intended for create a common regulatory baseline for the regulation of money transmitters across the country, which, as CSBS explains, “is a crucial step in advancing multistate harmonization in the money transmission industry, as states will be better able to work together in the licensing, regulation and supervision of money transmitters operating across state lines.” Uniform and comprehensive adoption of the Model Law will create a robust national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. Uniform adoption of the Model

¹ Current members are RIA Financial Services, American Express Travel Related Services Company, Inc., Western Union Financial Services, Inc. and Western Union International Services, Inc., and MoneyGram 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. Each company is currently licensed as a money transmitter throughout the United States, including in Alaska.

² SB 86 also includes virtual currency provisions based on Article 13 of the Model Act. Consensus was not reach on these provision and therefore TMSRT’s comments herein are therefore exclusive of the provisions of SB 86 that would enact Article 1A. Virtual Currency Business Activity.



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Law would therefore not only enable a more seamless approach to regulation than the status quo, but also help preserve states' limited resources with respect to licensing and supervisory efforts.

Therefore, TMSRT supports SB 86 in its current form because it would align the regulation of money transmission in Alaska with the Model Act and should further enable more efficient and effective regulation of money transmitters in Alaska and throughout the country.

If you have any additional questions for TMSRT regarding the Model Law or the regulation of money transmitter licensees generally, TMSRT would be happy to respond.

Sincerely,

A handwritten signature in blue ink that reads "Adam Fleisher".

Adam Fleisher
Counsel to The Money Services Round Table

cc: Robert H. Schmidt, Director, Division of Banking and Securities
Tracy Reno, Chief of Examinations, Alaska Division of Banking and Securities

ALASKA BANKERS ASSOCIATION

ELECTRONIC MAIL

February 20, 2025

Senator Jesse Kiehl Representative Zack Fields
Alaska State Senate Alaska State House of Representatives
State Capitol State Capitol
Juneau, AK 99801 Juneau, AK 99801

Re: Support SB 86 and HB 99, the Alaska Uniform Money Transmission Modernization Act

Dear Senator Kiehl and Representative Fields:

The Alaska Bankers Association (AKBA) appreciates the opportunity to support SB 86 and HB 99, legislation to modernize the Alaska Uniform Money Services Act.

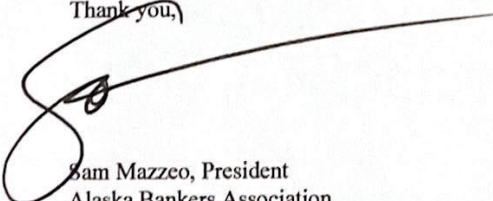
The Act's focus on modernizing the existing framework for money transmission is critical in light of the rapid evolution of financial technology and the increasing use of digital payments. AKBA subscribes to the idea that "same activity, same risk, same regulation"; businesses engaging in similar activities should be subject to the same level of regulation. This principle is critical in ensuring a level playing field for businesses and promoting fair competition, while protecting Alaska consumers.

The Act includes important provisions to protect consumers from fraud and other forms of financial abuse. For example, the requirement for criminal background checks through the Nationwide Multistate Licensing System and Registry will ensure that individuals with a history of financial crimes or other criminal activities are not involved in the money transmission business. The requirement for money transmitters to maintain a surety bond or other form of security will ensure that consumers are protected in the event of insolvency or other financial difficulties. The Act also enables state regulators to coordinate with other states in areas of regulation, licensing, and supervision to reduce regulatory burden on the industry.

AKBA recognizes that as the money transmission industry grows, regulatory costs associated with supervision must keep pace with that growth. The Act addresses this issue by allowing state regulators to adjust supervision fees to reflect changes in the size and complexity of the money transmission industry.

AKBA believes SB 86 and HB 99, as currently drafted, are well-crafted and necessary pieces of legislation that will benefit both businesses and consumers. We urge the Legislature to support passage into law.

Thank you,



Sam Mazzeo, President
Alaska Bankers Association