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M E M O R A N D U M

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To Our Clients and Friends

Re: New Mexico Enacts Money Transmitter Law

New Mexico has enacted the Uniform Money Services Act (“UMSA”), which will require money transmitters, check cashers and currency exchangers to be licensed and comply with substantive compliance requirements set forth in the UMSA.¹ New Mexico currently only licenses entities selling checks or money orders. The UMSA will be effective January 1, 2017.

The UMSA defines money transmission as “selling or issuing payment instruments, stored value or receiving money or monetary value for transmission.” The UMSA specifies that a person may not engage in the business of money transmission or advertise, solicit or hold itself out as providing money transmission in New Mexico unless the person is licensed under the UMSA or is an authorized delegate of a licensed money transmitter.

The UMSA will not apply to a state governmental agency; a bank, including a U.S. branch of a foreign banks; a federally insured credit union; a registered securities broker-dealer; or operator of a payment system to the extent that it provides processing, clearing or settlement services between or among persons excluded by the UMSA (e.g., banks) in connection with specified transaction types. The director of the Financial Institutions Division (FID) may exempt other persons or transactions by rule or order if the director finds licensing is not necessary to achieve the purposes of the UMSA.

New Mexico will participate in the Nationwide Mortgage Licensing System (NMLS). The FID will be promulgating regulations necessary to implement the UMSA and to transition existing licensees to the new license. Licensing through the NMLS is expected to be set up by September 1, 2016.

A copy of the New Mexico UMSA can be found on our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, or Heidi Wicker at (202) 776-0700.

¹ Forty-seven other U.S. states, plus D.C., Guam and Puerto Rico, license money transmitters. Montana and South Carolina do not currently regulate money transmission.