

CSBS Agrees to Implement Recommendations from Fintech Advisory Panel

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The Conference of State Bank Supervisors (CSBS) [announced last week](#) that it has agreed to implement 14 recommendations made by its Fintech Industry Advisory Panel (Advisory Panel).

The Advisory Panel was formed in 2017 to identify actionable steps for improving state licensing, regulation, and non-depository supervision and for supporting innovation in financial services. It has 33 fintech company members that engage with the CSBS Emerging Payments and Innovation Task Force and other state regulators. The Advisory Panel has a subgroup focused on lending and another focused on payments. Both subgroups submitted reports that formed the basis of the recommendations CSBS has agreed to implement.

Those recommendations primarily address creating uniform definitions and practices, increasing transparency, and expanding the use of common technology among all state regulators. Among the actions CSBS has agreed to take to implement the recommendations are:

- Developing a 50-state model law to license money services businesses
- Creating a standardized call report for consumer finance businesses
- Building an online database of state licensing and fintech guidance, while encouraging a common standard
- Developing a new technology offering, a State Examination System, to simplify examinations of nonbanks operating in more than one state
- Expanding the use of the Nationwide Multistate Licensing System (NMLS) among all state regulators and to all nonbank industries supervised at the state level

At the annual NMLS conference in Orlando, CSBS and the Advisory Panel's payments subgroup reported that in connection with efforts to harmonize state licensing regimes and ultimately to draft a model state law for licensing money services businesses, CSBS is conducting state surveys relating to existing state definitions and exemptions from licensure and will publish such surveys when complete.

The CSBS initiative is undoubtedly in part a reaction to [the OCC's decision](#) to grant special purpose national bank charters to fintech companies. Such charters would eliminate the need for fintech companies to obtain multi-state licenses. In October 2018, CSBS [filed a second lawsuit](#) in D.C. federal district court to stop the OCC from issuing such charters.

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