



**Statement of the Massachusetts Bankers Association  
in Support of  
H 1106, An Act Relative to The Regulation of Money Transmission by the Division of Banks  
Joint Committee on Financial Services  
October 24, 2023**

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, we are writing to express our strong support for H 1106, An Act relative to the regulation of money transmission by the Division of Banks. This legislation establishes a regulatory structure for non-bank domestic money transmission in the Commonwealth.

Legislation to regulate domestic money transmission in Massachusetts has been filed during the last several legislative sessions. As you know, banks in Massachusetts are subject to regular federal and state examinations for compliance with consumer protection laws. While every state currently regulates foreign money transmission, including Massachusetts, the Commonwealth is the **only state that does not** license or regulate non-bank domestic money transmitters at the state level.

With the significant increase in fintech firms offering products that allow consumers to transmit funds as well as existing non-depository businesses providing these services, a state regulatory system would standardize consumer protections and ensure that the Division of Banks has the appropriate oversight authority over this rapidly changing industry.

MBA believes that the licensing system established under H 1106 creates a level-playing field for non-bank and depository money transmission in Massachusetts. Further, it is our understanding that the bill before you today has been amended from previous versions of the legislation to address concerns raised by various stakeholders and more recent changes in the money transmission industry.

We strongly support H 1106 and respectfully ask that the Committee report this important legislation favorably.