

46.14

**ARTICLE 3**

83.27

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46.15

**FINANCIAL INSTITUTIONS**

83.28

**FINANCIAL INSTITUTIONS**

**S2219-2**

1.28 Section 1. Minnesota Statutes 2022, section 8.31, subdivision 1, is amended to read:

1.29 Subdivision 1. **Investigate offenses against provisions of certain designated sections;**  
 1.30 **assist in enforcement.** The attorney general shall investigate violations of the law of this  
 1.31 state respecting unfair, discriminatory, and other unlawful practices in business, commerce,  
 1.32 or trade, and specifically, but not exclusively, the Nonprofit Corporation Act (sections  
 2.1 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections  
 2.2 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16),  
 2.3 the Antitrust Act (sections 325D.49 to 325D.66), section 325F.67 and other laws against  
 2.4 false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67,  
 2.5 the act against monopolization of food products (section 325D.68), the act regulating  
 2.6 telephone advertising services (section 325E.39), the Prevention of Consumer Fraud Act  
 2.7 (sections 325F.68 to 325F.70), the act regulating price gouging (section 325E.80), and  
 2.8 chapter 53A regulating currency exchanges and assist in the enforcement of those laws as  
 2.9 in this section provided.

**S2744-3**

46.16 Section 1. Minnesota Statutes 2022, section 46.131, subdivision 11, is amended to read:

46.17 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions  
 46.18 account is created as a separate account in the special revenue fund. Earnings, including  
 46.19 interest, dividends, and any other earnings arising from account assets, must be credited to  
 46.20 the account.

46.21 (b) The account consists of funds received from assessments under subdivision 7,  
 46.22 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and  
 46.23 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,  
 46.24 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph  
 46.25 (b); 49.36, subdivision 1; 52.203; ~~53B.09; 53B.11, subdivision 1;~~ 53B.38; 53B.41; 53B.43;  
 46.26 53C.02; 56.02; 58.10; 58A.045, subdivision 2; 59A.03; 216C.437, subdivision 12; 332A.04;  
 46.27 and 332B.04.

46.28 (c) Funds in the account are annually appropriated to the commissioner of commerce  
 46.29 for activities under this section.

**S2219-2**

2.10 Sec. 2. Minnesota Statutes 2022, section 47.0153, subdivision 1, is amended to read:

2.11 Subdivision 1. **Emergency closings.** When the officers of a financial institution are of  
 2.12 the opinion that an emergency exists, or is impending, which affects, or may affect, a

83.29 Section 1. Minnesota Statutes 2022, section 46.131, subdivision 11, is amended to read:

83.30 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions  
 83.31 account is created as a separate account in the special revenue fund. Earnings, including  
 84.1 interest, dividends, and any other earnings arising from account assets, must be credited to  
 84.2 the account.

84.3 (b) The account consists of funds received from assessments under subdivision 7,  
 84.4 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and  
 84.5 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,  
 84.6 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph  
 84.7 (b); 49.36, subdivision 1; 52.203; ~~53B.09; 53B.11, subdivision 1;~~ 53B.38; 53B.41; 53B.43;  
 84.8 53C.02; 56.02; 58.10; 58A.045, subdivision 2; 59A.03; 216C.437, subdivision 12; 332A.04;  
 84.9 and 332B.04.

84.10 (c) Funds in the account are annually appropriated to the commissioner of commerce  
 84.11 for activities under this section.

84.12 Sec. 2. Minnesota Statutes 2022, section 47.0153, subdivision 1, is amended to read:

84.13 Subdivision 1. **Emergency closings.** When the officers of a financial institution are of  
 84.14 the opinion that an emergency exists, or is impending, which affects, or may affect, a

2.13 financial institution's offices, they shall have the authority, in the reasonable exercise of  
2.14 their discretion, to determine not to open any of its offices on any business day or, if having  
2.15 opened, to close an office during the continuation of the emergency, even if the commissioner  
2.16 does not issue a proclamation of emergency. The office closed shall remain closed until the  
2.17 time that the officers determine the emergency has ended, and for the further time reasonably  
2.18 necessary to reopen. No financial institution office shall remain closed for more than 48  
2.19 consecutive hours in a Monday through Friday period, excluding other legal holidays,  
2.20 without the prior approval of the commissioner.

84.15 financial institution's offices, they shall have the authority, in the reasonable exercise of  
84.16 their discretion, to determine not to open any of its offices on any business day or, if having  
84.17 opened, to close an office during the continuation of the emergency, even if the commissioner  
84.18 does not issue a proclamation of emergency. The office closed shall remain closed until the  
84.19 time that the officers determine the emergency has ended, and for the further time reasonably  
84.20 necessary to reopen. No financial institution office shall remain closed for more than 48  
84.21 consecutive hours in a Monday through Friday period, excluding other legal holidays,  
84.22 without the prior approval of the commissioner.

84.23 Sec. 3. Minnesota Statutes 2022, section 47.59, subdivision 2, is amended to read:

84.24 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by  
84.25 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,  
84.26 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061  
84.27 to 334.19 may, but need not, be made according to those sections in lieu of the authority  
84.28 set forth in this section to the extent those sections authorize the financial institution to make  
84.29 extensions of credit or purchase extensions of credit under those sections. If a financial  
84.30 institution elects to make an extension of credit or to purchase an extension of credit under  
84.31 those other sections, the extension of credit or the purchase of an extension of credit is  
84.32 subject to those sections and not this section, except this subdivision, and except as expressly  
84.33 provided in those sections. A financial institution may also charge an organization a rate of  
85.1 interest and any charges agreed to by the organization and may calculate and collect finance  
85.2 and other charges in any manner agreed to by that organization. Except for extensions of  
85.3 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,  
85.4 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made  
85.5 according to this section or the sections listed in this subdivision. This subdivision does not  
85.6 authorize a financial institution to extend credit or purchase an extension of credit under  
85.7 any of the sections listed in this subdivision if the financial institution is not authorized to  
85.8 do so under those sections. A financial institution extending credit under any of the sections  
85.9 listed in this subdivision shall specify in the promissory note, contract, or other loan document  
85.10 the section under which the extension of credit is made.

85.11 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
85.12 applies to consumer small loans and consumer short-term loans originated on or after that  
85.13 date.

85.14 Sec. 4. Minnesota Statutes 2022, section 47.60, subdivision 1, is amended to read:

85.15 Subdivision 1. **Definitions.** For purposes of this section, the terms defined have the  
85.16 meanings given them:

85.17 (a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower  
85.18 for the borrower's own personal, family, or household purpose. A consumer small loan is  
85.19 a short-term, unsecured loan to be repaid in a single installment. The cash advance of a  
85.20 consumer small loan is equal to or less than \$350. A consumer small loan includes an

- 85.21 indebtedness evidenced by but not limited to a promissory note or agreement to defer the  
85.22 presentation of a personal check for a fee.
- 85.23 (b) "Consumer small loan lender" is a financial institution as defined in section 47.59  
85.24 or a business entity registered with the commissioner and engaged in the business of making  
85.25 consumer small loans.
- 85.26 (c) "Annual percentage rate" means a measure of the cost of credit, expressed as a yearly  
85.27 rate, that relates the amount and timing of value received by the consumer to the amount  
85.28 and timing of payments made. Annual percentage interest rate includes all interest, finance  
85.29 charges, and fees. The annual percentage rate must be determined in accordance with either  
85.30 the actuarial method or the United States Rule method.
- 85.31 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
85.32 applies to consumer small loans and consumer short-term loans originated on or after that  
85.33 date.
- 86.1 Sec. 5. Minnesota Statutes 2022, section 47.60, subdivision 2, is amended to read:
- 86.2 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~  
86.3 ~~finance charges, or fees in any other law~~ connection with a consumer small loan, a consumer  
86.4 small loan lender may charge the following: an annual percentage rate of up to 36 percent.  
86.5 ~~No other charges or payments are permitted or may be received by the lender in connection~~  
86.6 ~~with a consumer small loan.~~
- 86.7 ~~(1) on any amount up to and including \$50, a charge of \$5.50 may be added;~~
- 86.8 ~~(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~  
86.9 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~
- 86.10 ~~(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~  
86.11 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~
- 86.12 ~~(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~  
86.13 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~  
86.14 ~~minimum of \$17.50 plus a \$5 administrative fee.~~
- 86.15 (b) The term of a loan made under this section shall be for no more than 30 calendar  
86.16 days.
- 86.17 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the  
86.18 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly  
86.19 rate in the contract for each calendar day the balance is outstanding.
- 86.20 (d) No insurance charges or other charges must be permitted to be charged, collected,  
86.21 or imposed on a consumer small loan except as authorized in this section.
- 86.22 (e) On a loan transaction in which cash is advanced in exchange for a personal check,  
86.23 a return check charge may be charged as authorized by section 604.113, subdivision 2,

86.24 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph  
86.25 (b), may not be demanded or assessed against the borrower.

86.26 (f) A loan made under this section must not be repaid by the proceeds of another loan  
86.27 made under this section by the same lender or related interest. The proceeds from a loan  
86.28 made under this section must not be applied to another loan from the same lender or related  
86.29 interest. No loan to a single borrower made pursuant to this section shall be split or divided  
86.30 and no single borrower shall have outstanding more than one loan with the result of collecting  
86.31 a higher charge than permitted by this section or in an aggregate amount of principal exceed  
86.32 at any one time the maximum of \$350.

87.1 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
87.2 applies to consumer small loans and consumer short-term loans originated on or after that  
87.3 date.

87.4 Sec. 6. Minnesota Statutes 2022, section 47.60, is amended by adding a subdivision to  
87.5 read:

87.6 Subd. 8. **No evasion.** (a) A person must not engage in any device, subterfuge, or pretense  
87.7 to evade the requirements of this section, including but not limited to:

87.8 (1) making loans disguised as a personal property sale and leaseback transaction;

87.9 (2) disguising loan proceeds as a cash rebate for the pretextual installment sale of goods  
87.10 or services; or

87.11 (3) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater  
87.12 rate or amount of interest, consideration, charge, or payment than is permitted by this section  
87.13 through any method, including mail, telephone, Internet, or any electronic means, regardless  
87.14 of whether a person has a physical location in Minnesota.

87.15 (b) A person is a consumer small loan lender subject to the requirements of this section  
87.16 notwithstanding the fact that a person purports to act as an agent or service provider, or acts  
87.17 in another capacity for another person that is not subject to this section, if a person:

87.18 (1) directly or indirectly holds, acquires, or maintains the predominant economic interest,  
87.19 risk, or reward in a loan or lending business; or

87.20 (2) both: (i) markets, solicits, brokers, arranges, or facilitates a loan; and (ii) holds or  
87.21 holds the right, requirement, or first right of refusal to acquire loans, receivables, or other  
87.22 direct or interest in a loan.

87.23 (c) A person is a consumer small loan lender subject to the requirements of this section  
87.24 if the totality of the circumstances indicate that a person is a lender and the transaction is  
87.25 structured to evade the requirements of this section. Circumstances that weigh in favor of  
87.26 a person being a lender in a transaction include but are not limited to instances where a  
87.27 person:

- 87.28 (1) indemnifies, insures, or protects a person not subject to this section from any costs  
87.29 or risks related to a loan;
- 87.30 (2) predominantly designs, controls, or operates lending activity;
- 87.31 (3) holds the trademark or intellectual property rights in the brand, underwriting system,  
87.32 or other core aspects of a lending business; or
- 88.1 (4) purports to act as an agent or service provider, or acts in another capacity, for a person  
88.2 not subject to this section while acting directly as a lender in one or more states.
- 88.3 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
88.4 applies to consumer small loans and consumer short-term loans originated on or after that  
88.5 date.
- 88.6 Sec. 7. Minnesota Statutes 2022, section 47.601, subdivision 1, is amended to read:
- 88.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
88.8 subdivision have the meanings given.
- 88.9 (b) "Borrower" means an individual who obtains a consumer short-term loan primarily  
88.10 for personal, family, or household purposes.
- 88.11 (c) "Commissioner" means the commissioner of commerce.
- 88.12 (d) "Consumer short-term loan" means a loan to a borrower which has a principal amount,  
88.13 or an advance on a credit limit, of ~~\$1,000~~ \$1,300 or less and requires a minimum payment  
88.14 within 60 days of loan origination or credit advance of more than 25 percent of the principal  
88.15 balance or credit advance. For the purposes of this section, each new advance of money to  
88.16 a borrower under a consumer short-term loan agreement constitutes a new consumer  
88.17 short-term loan. A "consumer short-term loan" does not include any transaction made under  
88.18 chapter 325J or a loan made by a consumer short-term lender where, in the event of default  
88.19 on the loan, the sole recourse for recovery of the amount owed, other than a lawsuit for  
88.20 damages for the debt, is to proceed against physical goods pledged by the borrower as  
88.21 collateral for the loan.
- 88.22 (e) "Consumer short-term lender" means an individual or entity engaged in the business  
88.23 of making or arranging consumer short-term loans, other than a state or federally chartered  
88.24 bank, savings bank, or credit union. For the purposes of this paragraph, arranging consumer  
88.25 short-term loans includes but is not limited to any substantial involvement in facilitating,  
88.26 marketing, lead-generating, underwriting, servicing, or collecting consumer short-term  
88.27 loans.
- 88.28 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
88.29 applies to consumer small loans and consumer short-term loans originated on or after that  
88.30 date.

- 89.1 Sec. 8. Minnesota Statutes 2022, section 47.601, subdivision 2, is amended to read:
- 89.2 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
- 89.3 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
- 89.4 following:
- 89.5 (1) a provision selecting a law other than Minnesota law under which the contract is
- 89.6 construed or enforced;
- 89.7 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
- 89.8 or
- 89.9 (3) a provision limiting class actions against a consumer short-term lender for violations
- 89.10 of subdivision 3 or for making consumer short-term loans:
- 89.11 (i) without a required license issued by the commissioner; or
- 89.12 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
- 89.13 section 47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if
- 89.14 no pattern or practice exists.
- 89.15 (b) Any provision prohibited by paragraph (a) is void and unenforceable.
- 89.16 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
- 89.17 to each borrower. The contract and disclosures must be written in the language in which
- 89.18 the loan was negotiated with the borrower and must contain:
- 89.19 (1) the name; address, which may not be a post office box; and telephone number of the
- 89.20 lender making the consumer short-term loan;
- 89.21 (2) the name and title of the individual employee or representative who signs the contract
- 89.22 on behalf of the lender;
- 89.23 (3) an itemization of the fees and interest charges to be paid by the borrower;
- 89.24 (4) in bold, 24-point type, the annual percentage rate as computed under United States
- 89.25 Code, chapter 15, section 1606; and
- 89.26 (5) a description of the borrower's payment obligations under the loan.
- 89.27 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
- 89.28 borrower in connection with a consumer short-term loan takes the instrument subject to all
- 89.29 claims by and defenses of the borrower against the consumer short-term lender.
- 90.1 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and
- 90.2 applies to consumer small loans and consumer short-term loans originated on or after that
- 90.3 date.

90.4 Sec. 9. Minnesota Statutes 2022, section 47.601, is amended by adding a subdivision to  
90.5 read:

90.6 Subd. 5a. **No evasion.** (a) A person must not engage in any device, subterfuge, or pretense  
90.7 to evade the requirements of this section, including but not limited to:

90.8 (1) making loans disguised as a personal property sale and leaseback transaction;  
90.9 (2) disguising loan proceeds as a cash rebate for the pretextual installment sale of goods  
90.10 or services; or

90.11 (3) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater  
90.12 rate or amount of interest, consideration, charge, or payment than is permitted by this section  
90.13 through any method, including mail, telephone, Internet, or any electronic means, regardless  
90.14 of whether a person has a physical location in Minnesota.

90.15 (b) A person is a consumer short-term loan lender subject to the requirements of this  
90.16 section notwithstanding the fact that a person purports to act as an agent or service provider,  
90.17 or acts in another capacity for another person that is not subject to this section, if a person:

90.18 (1) directly or indirectly holds, acquires, or maintains the predominant economic interest,  
90.19 risk, or reward in a loan or lending business; or

90.20 (2) both: (i) markets, solicits, brokers, arranges, or facilitates a loan; and (ii) holds or  
90.21 holds the right, requirement, or first right of refusal to acquire loans, receivables, or other  
90.22 direct or interest in a loan.

90.23 (c) A person is a consumer short-term loan lender subject to the requirements of this  
90.24 section if the totality of the circumstances indicate that a person is a lender and the transaction  
90.25 is structured to evade the requirements of this section. Circumstances that weigh in favor  
90.26 of a person being a lender in a transaction include but are not limited to instances where a  
90.27 person:

90.28 (1) indemnifies, insures, or protects a person not subject to this section from any costs  
90.29 or risks related to a loan;

90.30 (2) predominantly designs, controls, or operates lending activity;

90.31 (3) holds the trademark or intellectual property rights in the brand, underwriting system,  
90.32 or other core aspects of a lending business; or

91.1 (4) purports to act as an agent or service provider, or acts in another capacity, for a person  
91.2 not subject to this section while acting directly as a lender in one or more states.

91.3 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
91.4 applies to consumer small loans and consumer short-term loans originated on or after that  
91.5 date.

91.6 Sec. 10. Minnesota Statutes 2022, section 47.601, subdivision 6, is amended to read:

91.7 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide  
91.8 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an  
91.9 individual or entity who violates subdivision 2 ~~or~~ 3, or 5a is liable to the borrower for:

91.10 (1) all money collected or received in connection with the loan;

91.11 (2) actual, incidental, and consequential damages;

91.12 (3) statutory damages of up to \$1,000 per violation;

91.13 (4) costs, disbursements, and reasonable attorney fees; and

91.14 (5) injunctive relief.

91.15 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower  
91.16 is not obligated to pay any amounts owing if the loan is made:

91.17 (1) by a consumer short-term lender who has not obtained an applicable license from  
91.18 the commissioner;

91.19 (2) in violation of any provision of subdivision 2 or 3; or

91.20 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,  
91.21 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section 47.60, subdivision~~  
91.22 ~~2.~~

91.23 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
91.24 applies to consumer small loans and consumer short-term loans originated on or after that  
91.25 date.

91.26 Sec. 11. **[48.591] CLIMATE RISK DISCLOSURE SURVEY.**

91.27 Subdivision 1. **Requirement.** By July 30 each year, a banking institution with more  
91.28 than \$1,000,000,000 in assets must submit a completed climate risk disclosure survey to  
91.29 the commissioner. The commissioner must provide the form used to submit a climate risk  
91.30 disclosure survey.

92.1 Subd. 2. **Data.** Data submitted to the commissioner under this section are public, except  
92.2 that trade secret information is nonpublic under section 13.37.

92.3 Sec. 12. **[52.065] CLIMATE RISK DISCLOSURE SURVEY.**

92.4 Subdivision 1. **Requirement.** By July 30 each year, a credit union with more than  
92.5 \$1,000,000,000 in assets must submit a completed climate risk disclosure survey to the  
92.6 commissioner. The commissioner must provide the form used to submit a climate risk  
92.7 disclosure survey.



92.8 Subd. 2. **Data.** Data submitted to the commissioner under this section are public, except  
92.9 that trade secret information is nonpublic under section 13.37.

92.10 Sec. 13. Minnesota Statutes 2022, section 53.04, subdivision 3a, is amended to read:

92.11 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on  
92.12 the terms and other conditions permitted under chapters 47 and 334. Loans made under this  
92.13 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making  
92.14 a loan under this chapter secured by a lien on real estate shall comply with the requirements  
92.15 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as  
92.16 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A  
92.17 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,  
92.18 subdivision 1, paragraph (d), must comply with section 47.601.

92.19 (b) Loans made under this subdivision may be secured by real or personal property, or  
92.20 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence  
92.21 are used to finance the purchase of the borrower's primary residence, the loan must comply  
92.22 with the provisions of section 47.20.

92.23 (c) An agency or instrumentality of the United States government or a corporation  
92.24 otherwise created by an act of the United States Congress or a lender approved or certified  
92.25 by the secretary of housing and urban development, or approved or certified by the  
92.26 administrator of veterans affairs, or approved or certified by the administrator of the Farmers  
92.27 Home Administration, or approved or certified by the Federal Home Loan Mortgage  
92.28 Corporation, or approved or certified by the Federal National Mortgage Association, that  
92.29 engages in the business of purchasing or taking assignments of mortgage loans and undertakes  
92.30 direct collection of payments from or enforcement of rights against borrowers arising from  
92.31 mortgage loans, is not required to obtain a certificate of authorization under this chapter in  
92.32 order to purchase or take assignments of mortgage loans from persons holding a certificate  
92.33 of authorization under this chapter.

93.1 (d) This subdivision does not authorize an industrial loan and thrift company to make  
93.2 loans under an overdraft checking plan.

93.3 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
93.4 applies to consumer small loans and consumer short-term loans originated on or after that  
93.5 date.

93.6 Sec. 14. **[53B.28] DEFINITIONS.**

93.7 Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section  
93.8 have the meanings given them.

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47.1 Sec. 2. **[53B.28] DEFINITIONS.**

47.2 Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section  
47.3 have the meanings given them.

47.4 Subd. 2. **Acting in concert.** "Acting in concert" means persons knowingly acting together  
 47.5 with a common goal of jointly acquiring control of a licensee, whether or not pursuant to  
 47.6 an express agreement.

47.7 Subd. 3. **Authorized delegate.** "Authorized delegate" means a person a licensee  
 47.8 designates to engage in money transmission on behalf of the licensee.

47.9 Subd. 4. **Average daily money transmission liability.** "Average daily money  
 47.10 transmission liability" means the amount of the licensee's outstanding money transmission  
 47.11 obligations in Minnesota at the end of each day in a given period of time, added together,  
 47.12 and divided by the total number of days in the given period of time. For purposes of  
 47.13 calculating average daily money transmission liability under this chapter for any licensee  
 47.14 required to do so, the given period of time shall be the quarters ending March 31, June 30,  
 47.15 September 30, and December 31.

47.16 Subd. 5. **Bank Secrecy Act.** "Bank Secrecy Act" means the Bank Secrecy Act under  
 47.17 United States Code, title 31, section 5311, et seq., and the Bank Secrecy Act's implementing  
 47.18 regulations, as amended and recodified from time to time.

47.19 Subd. 6. **Closed loop stored value.** "Closed loop stored value" means stored value that  
 47.20 is redeemable by the issuer only for a good or service provided by the issuer, the issuer's  
 47.21 affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the  
 47.22 extent required by applicable law to be redeemable in cash for the good or service's cash  
 47.23 value.

47.24 Subd. 7. **Control.** "Control" means:

47.25 (1) the power to vote, directly or indirectly, at least 25 percent of the outstanding voting  
 47.26 shares or voting interests of a licensee or person in control of a licensee;

47.27 (2) the power to elect or appoint a majority of key individuals or executive officers,  
 47.28 managers, directors, trustees, or other persons exercising managerial authority of a person  
 47.29 in control of a licensee; or

47.30 (3) the power to exercise, directly or indirectly, a controlling influence over the  
 47.31 management or policies of a licensee or person in control of a licensee.

48.1 Subd. 8. **Eligible rating.** "Eligible rating" means a credit rating of any of the three highest  
 48.2 rating categories provided by an eligible rating service, whereby each category may include  
 48.3 rating category modifiers such as "plus" or "minus" or the equivalent for any other eligible  
 48.4 rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or  
 48.5 higher or the equivalent from any other eligible rating service. Short-term credit ratings are  
 48.6 deemed eligible if the rating is equal to or higher than A-2 or SP-2 by S&P, or the equivalent  
 48.7 from any other eligible rating service. In the event that ratings differ among eligible rating  
 48.8 services, the highest rating shall apply when determining whether a security bears an eligible  
 48.9 rating.

93.9 Subd. 2. **Acting in concert.** "Acting in concert" means persons knowingly acting together  
 93.10 with a common goal of jointly acquiring control of a licensee, whether or not pursuant to  
 93.11 an express agreement.

93.12 Subd. 3. **Authorized delegate.** "Authorized delegate" means a person a licensee  
 93.13 designates to engage in money transmission on behalf of the licensee.

93.14 Subd. 4. **Average daily money transmission liability.** "Average daily money  
 93.15 transmission liability" means the amount of the licensee's outstanding money transmission  
 93.16 obligations in Minnesota at the end of each day in a given period of time, added together,  
 93.17 and divided by the total number of days in the given period of time. For purposes of  
 93.18 calculating average daily money transmission liability under this chapter for any licensee  
 93.19 required to do so, the given period of time shall be the quarters ending March 31, June 30,  
 93.20 September 30, and December 31.

93.21 Subd. 5. **Bank Secrecy Act.** "Bank Secrecy Act" means the Bank Secrecy Act under  
 93.22 United States Code, title 31, section 5311, et seq., and the Bank Secrecy Act's implementing  
 93.23 regulations, as amended and recodified from time to time.

93.24 Subd. 6. **Closed loop stored value.** "Closed loop stored value" means stored value that  
 93.25 is redeemable by the issuer only for a good or service provided by the issuer, the issuer's  
 93.26 affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the  
 93.27 extent required by applicable law to be redeemable in cash for the good or service's cash  
 93.28 value.

93.29 Subd. 7. **Control.** "Control" means:

93.30 (1) the power to vote, directly or indirectly, at least 25 percent of the outstanding voting  
 93.31 shares or voting interests of a licensee or person in control of a licensee;

94.1 (2) the power to elect or appoint a majority of key individuals or executive officers,  
 94.2 managers, directors, trustees, or other persons exercising managerial authority of a person  
 94.3 in control of a licensee; or

94.4 (3) the power to exercise, directly or indirectly, a controlling influence over the  
 94.5 management or policies of a licensee or person in control of a licensee.

94.6 Subd. 8. **Eligible rating.** "Eligible rating" means a credit rating of any of the three highest  
 94.7 rating categories provided by an eligible rating service, whereby each category may include  
 94.8 rating category modifiers such as "plus" or "minus" or the equivalent for any other eligible  
 94.9 rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or  
 94.10 higher or the equivalent from any other eligible rating service. Short-term credit ratings are  
 94.11 deemed eligible if the rating is equal to or higher than A-2 or SP-2 by S&P, or the equivalent  
 94.12 from any other eligible rating service. In the event that ratings differ among eligible rating  
 94.13 services, the highest rating shall apply when determining whether a security bears an eligible  
 94.14 rating.

48.10 Subd. 9. **Eligible rating service.** "Eligible rating service" means any Nationally  
 48.11 Recognized Statistical Rating Organization (NRSRO), as defined by the United States  
 48.12 Securities and Exchange Commission and any other organization designated by the  
 48.13 commissioner by rule or order.

48.14 Subd. 10. **Federally insured depository financial institution.** "Federally insured  
 48.15 depository financial institution" means a bank, credit union, savings and loan association,  
 48.16 trust company, savings association, savings bank, industrial bank, or industrial loan company  
 48.17 organized under the laws of the United States or any state of the United States, when the  
 48.18 bank, credit union, savings and loan association, trust company, savings association, savings  
 48.19 bank, industrial bank, or industrial loan company has federally insured deposits.

48.20 Subd. 11. **In Minnesota.** "In Minnesota" means at a physical location within the state  
 48.21 of Minnesota for a transaction requested in person. For a transaction requested electronically  
 48.22 or by telephone, the provider of money transmission may determine if the person requesting  
 48.23 the transaction is in Minnesota by relying on other information provided by the person  
 48.24 regarding the location of the individual's residential address or a business entity's principal  
 48.25 place of business or other physical address location, and any records associated with the  
 48.26 person that the provider of money transmission may have that indicate the location, including  
 48.27 but not limited to an address associated with an account.

48.28 Subd. 12. **Individual.** "Individual" means a natural person.

48.29 Subd. 13. **Key individual.** "Key individual" means any individual ultimately responsible  
 48.30 for establishing or directing policies and procedures of the licensee, including but not limited  
 48.31 to as an executive officer, manager, director, or trustee.

48.32 Subd. 14. **Licensee.** "Licensee" means a person licensed under this chapter.

48.33 Subd. 15. **Material litigation.** "Material litigation" means litigation that, according to  
 48.34 United States generally accepted accounting principles, is significant to a person's financial  
 49.1 health and would be required to be disclosed in the person's annual audited financial  
 49.2 statements, report to shareholders, or similar records.

49.3 Subd. 16. **Money.** "Money" means a medium of exchange that is authorized or adopted  
 49.4 by the United States or a foreign government. Money includes a monetary unit of account  
 49.5 established by an intergovernmental organization or by agreement between two or more  
 49.6 governments.

49.7 Subd. 17. **Monetary value.** "Monetary value" means a medium of exchange, whether  
 49.8 or not redeemable in money.

49.9 Subd. 18. **Money transmission.** (a) "Money transmission" means:

49.10 (1) selling or issuing payment instruments to a person located in this state;

49.11 (2) selling or issuing stored value to a person located in this state; or

94.15 Subd. 9. **Eligible rating service.** "Eligible rating service" means any Nationally  
 94.16 Recognized Statistical Rating Organization (NRSRO), as defined by the United States  
 94.17 Securities and Exchange Commission and any other organization designated by the  
 94.18 commissioner by rule or order.

94.19 Subd. 10. **Federally insured depository financial institution.** "Federally insured  
 94.20 depository financial institution" means a bank, credit union, savings and loan association,  
 94.21 trust company, savings association, savings bank, industrial bank, or industrial loan company  
 94.22 organized under the laws of the United States or any state of the United States, when the  
 94.23 bank, credit union, savings and loan association, trust company, savings association, savings  
 94.24 bank, industrial bank, or industrial loan company has federally insured deposits.

94.25 Subd. 11. **In Minnesota.** "In Minnesota" means at a physical location within the state  
 94.26 of Minnesota for a transaction requested in person. For a transaction requested electronically  
 94.27 or by telephone, the provider of money transmission may determine if the person requesting  
 94.28 the transaction is in Minnesota by relying on other information provided by the person  
 94.29 regarding the location of the individual's residential address or a business entity's principal  
 94.30 place of business or other physical address location, and any records associated with the  
 94.31 person that the provider of money transmission may have that indicate the location, including  
 94.32 but not limited to an address associated with an account.

94.33 Subd. 12. **Individual.** "Individual" means a natural person.

95.1 Subd. 13. **Key individual.** "Key individual" means any individual ultimately responsible  
 95.2 for establishing or directing policies and procedures of the licensee, including but not limited  
 95.3 to as an executive officer, manager, director, or trustee.

95.4 Subd. 14. **Licensee.** "Licensee" means a person licensed under this chapter.

95.5 Subd. 15. **Material litigation.** "Material litigation" means litigation that, according to  
 95.6 United States generally accepted accounting principles, is significant to a person's financial  
 95.7 health and would be required to be disclosed in the person's annual audited financial  
 95.8 statements, report to shareholders, or similar records.

95.9 Subd. 16. **Money.** "Money" means a medium of exchange that is authorized or adopted  
 95.10 by the United States or a foreign government. Money includes a monetary unit of account  
 95.11 established by an intergovernmental organization or by agreement between two or more  
 95.12 governments.

95.13 Subd. 17. **Monetary value.** "Monetary value" means a medium of exchange, whether  
 95.14 or not redeemable in money.

95.15 Subd. 18. **Money transmission.** (a) "Money transmission" means:

95.16 (1) selling or issuing payment instruments to a person located in this state;

95.17 (2) selling or issuing stored value to a person located in this state; or

49.12 (3) receiving money for transmission from a person located in this state.

49.13 (b) Money includes payroll processing services. Money does not include the provision

49.14 solely of online or telecommunications services or network access.

49.15 Subd. 19. **Money services business accredited state or MSB accredited state.** "Money

49.16 services businesses accredited state" or "MSB accredited state" means a state agency that

49.17 is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators

49.18 Association for money transmission licensing and supervision.

49.19 Subd. 20. **Multistate licensing process.** "Multistate licensing process" means any

49.20 agreement entered into by and among state regulators relating to coordinated processing of

49.21 applications for money transmission licenses, applications for the acquisition of control of

49.22 a licensee, control determinations, or notice and information requirements for a change of

49.23 key individuals.

49.24 Subd. 21. **NMLS.** "NMLS" means the Nationwide Multistate Licensing System and

49.25 Registry developed by the Conference of State Bank Supervisors and the American

49.26 Association of Residential Mortgage Regulators and owned and operated by the State

49.27 Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and

49.28 registration of persons in financial services industries.

49.29 Subd. 22. **Outstanding money transmission obligations.** (a) "Outstanding money

49.30 transmission obligations" must be established and extinguished in accordance with applicable

49.31 state law and means:

50.1 (1) any payment instrument or stored value issued or sold by the licensee to a person

50.2 located in the United States or reported as sold by an authorized delegate of the licensee to

50.3 a person that is located in the United States that has not yet been paid or refunded by or for

50.4 the licensee, or escheated in accordance with applicable abandoned property laws; or

50.5 (2) any money received for transmission by the licensee or an authorized delegate in the

50.6 United States from a person located in the United States that has not been received by the

50.7 payee or refunded to the sender, or escheated in accordance with applicable abandoned

50.8 property laws.

50.9 (b) For purposes of this subdivision, "in the United States" includes, to the extent

50.10 applicable, a person in any state, territory, or possession of the United States; the District

50.11 of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation that is

50.12 located in a foreign country.

50.13 Subd. 23. **Passive investor.** "Passive investor" means a person that:

50.14 (1) does not have the power to elect a majority of key individuals or executive officers,

50.15 managers, directors, trustees, or other persons exercising managerial authority of a person

50.16 in control of a licensee;

95.18 (3) receiving money for transmission from a person located in this state.

95.19 (b) Money includes payroll processing services. Money does not include the provision

95.20 solely of online or telecommunications services or network access.

95.21 Subd. 19. **Money services business accredited state or MSB accredited state.** "Money

95.22 services businesses accredited state" or "MSB accredited state" means a state agency that

95.23 is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators

95.24 Association for money transmission licensing and supervision.

95.25 Subd. 20. **Multistate licensing process.** "Multistate licensing process" means any

95.26 agreement entered into by and among state regulators relating to coordinated processing of

95.27 applications for money transmission licenses, applications for the acquisition of control of

95.28 a licensee, control determinations, or notice and information requirements for a change of

95.29 key individuals.

95.30 Subd. 21. **NMLS.** "NMLS" means the Nationwide Multistate Licensing System and

95.31 Registry developed by the Conference of State Bank Supervisors and the American

95.32 Association of Residential Mortgage Regulators and owned and operated by the State

96.1 Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and

96.2 registration of persons in financial services industries.

96.3 Subd. 22. **Outstanding money transmission obligations.** (a) "Outstanding money

96.4 transmission obligations" must be established and extinguished in accordance with applicable

96.5 state law and means:

96.6 (1) any payment instrument or stored value issued or sold by the licensee to a person

96.7 located in the United States or reported as sold by an authorized delegate of the licensee to

96.8 a person that is located in the United States that has not yet been paid or refunded by or for

96.9 the licensee, or escheated in accordance with applicable abandoned property laws; or

96.10 (2) any money received for transmission by the licensee or an authorized delegate in the

96.11 United States from a person located in the United States that has not been received by the

96.12 payee or refunded to the sender, or escheated in accordance with applicable abandoned

96.13 property laws.

96.14 (b) For purposes of this subdivision, "in the United States" includes, to the extent

96.15 applicable, a person in any state, territory, or possession of the United States; the District

96.16 of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation that is

96.17 located in a foreign country.

96.18 Subd. 23. **Passive investor.** "Passive investor" means a person that:

96.19 (1) does not have the power to elect a majority of key individuals or executive officers,

96.20 managers, directors, trustees, or other persons exercising managerial authority of a person

96.21 in control of a licensee;

50.17 (2) is not employed by and does not have any managerial duties of the licensee or person  
50.18 in control of a licensee;

50.19 (3) does not have the power to exercise, directly or indirectly, a controlling influence  
50.20 over the management or policies of a licensee or person in control of a licensee; and

50.21 (4) attests to clauses (1), (2), and (3), in a form and in a medium prescribed by the  
50.22 commissioner, or commits to the passivity characteristics under clauses (1), (2), and (3) in  
50.23 a written document.

50.24 Subd. 24. **Payment instrument.** (a) "Payment instrument" means a written or electronic  
50.25 check, draft, money order, traveler's check, or other written or electronic instrument for the  
50.26 transmission or payment of money or monetary value, whether or not negotiable.

50.27 (b) Payment instrument does not include stored value or any instrument that is: (1)  
50.28 redeemable by the issuer only for goods or services provided by the issuer, the issuer's  
50.29 affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the  
50.30 extent required by applicable law to be redeemable in cash for its cash value; or (2) not sold  
50.31 to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

50.32 Subd. 25. **Payroll processing services.** "Payroll processing services" means receiving  
50.33 money for transmission pursuant to a contract with a person to deliver wages or salaries,  
51.1 make payment of payroll taxes to state and federal agencies, make payments relating to  
51.2 employee benefit plans, or make distributions of other authorized deductions from wages  
51.3 or salaries. The term payroll processing services does not include an employer performing  
51.4 payroll processing services on the employer's own behalf or on behalf of the employer's  
51.5 affiliate, or a professional employment organization subject to regulation under other  
51.6 applicable state law.

51.7 Subd. 26. **Person.** "Person" means any individual, general partnership, limited partnership,  
51.8 limited liability company, corporation, trust, association, joint stock corporation, or other  
51.9 corporate entity identified by the commissioner.

51.10 Subd. 27. **Receiving money for transmission or money received for**  
51.11 **transmission.** "Receiving money for transmission" or "money received for transmission"  
51.12 means receiving money or monetary value in the United States for transmission within or  
51.13 outside the United States by electronic or other means.

51.14 Subd. 28. **Stored value.** (a) "Stored value" means monetary value representing a claim  
51.15 against the issuer evidenced by an electronic or digital record, and that is intended and  
51.16 accepted for use as a means of redemption for money or monetary value, or payment for  
51.17 goods or services. Stored value includes but is not limited to prepaid access, as defined  
51.18 under Code of Federal Regulations, title 31, part 1010.100, as amended or recodified from  
51.19 time to time.

96.22 (2) is not employed by and does not have any managerial duties of the licensee or person  
96.23 in control of a licensee;

96.24 (3) does not have the power to exercise, directly or indirectly, a controlling influence  
96.25 over the management or policies of a licensee or person in control of a licensee; and

96.26 (4) attests to clauses (1), (2), and (3), in a form and in a medium prescribed by the  
96.27 commissioner, or commits to the passivity characteristics under clauses (1), (2), and (3) in  
96.28 a written document.

96.29 Subd. 24. **Payment instrument.** (a) "Payment instrument" means a written or electronic  
96.30 check, draft, money order, traveler's check, or other written or electronic instrument for the  
96.31 transmission or payment of money or monetary value, whether or not negotiable.

97.1 (b) Payment instrument does not include stored value or any instrument that is: (1)  
97.2 redeemable by the issuer only for goods or services provided by the issuer, the issuer's  
97.3 affiliate, the issuer's franchisees, or an affiliate of the issuer's franchisees, except to the  
97.4 extent required by applicable law to be redeemable in cash for its cash value; or (2) not sold  
97.5 to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

97.6 Subd. 25. **Payroll processing services.** "Payroll processing services" means receiving  
97.7 money for transmission pursuant to a contract with a person to deliver wages or salaries,  
97.8 make payment of payroll taxes to state and federal agencies, make payments relating to  
97.9 employee benefit plans, or make distributions of other authorized deductions from wages  
97.10 or salaries. The term payroll processing services does not include an employer performing  
97.11 payroll processing services on the employer's own behalf or on behalf of the employer's  
97.12 affiliate, or a professional employment organization subject to regulation under other  
97.13 applicable state law.

97.14 Subd. 26. **Person.** "Person" means any individual, general partnership, limited partnership,  
97.15 limited liability company, corporation, trust, association, joint stock corporation, or other  
97.16 corporate entity identified by the commissioner.

97.17 Subd. 27. **Receiving money for transmission or money received for**  
97.18 **transmission.** "Receiving money for transmission" or "money received for transmission"  
97.19 means receiving money or monetary value in the United States for transmission within or  
97.20 outside the United States by electronic or other means.

97.21 Subd. 28. **Stored value.** (a) "Stored value" means monetary value representing a claim  
97.22 against the issuer evidenced by an electronic or digital record, and that is intended and  
97.23 accepted for use as a means of redemption for money or monetary value, or payment for  
97.24 goods or services. Stored value includes but is not limited to prepaid access, as defined  
97.25 under Code of Federal Regulations, title 31, part 1010.100, as amended or recodified from  
97.26 time to time.

51.20 (b) Notwithstanding this subdivision, stored value does not include: (1) a payment  
51.21 instrument or closed loop stored value; or (2) stored value not sold to the public but issued  
51.22 and distributed as part of a loyalty, rewards, or promotional program.

51.23 Subd. 29. **Tangible net worth.** "Tangible net worth" means the aggregate assets of a  
51.24 licensee excluding all intangible assets, less liabilities, as determined in accordance with  
51.25 United States generally accepted accounting principles.

51.26 Sec. 3. **[53B.29] EXEMPTIONS.**

51.27 This chapter does not apply to:

51.28 (1) an operator of a payment system, to the extent the operator of a payment system  
51.29 provides processing, clearing, or settlement services between or among persons exempted  
51.30 by this section or licensees in connection with wire transfers, credit card transactions, debit  
51.31 card transactions, stored-value transactions, automated clearing house transfers, or similar  
51.32 funds transfers;

52.1 (2) a person appointed as an agent of a payee to collect and process a payment from a  
52.2 payor to the payee for goods or services, other than money transmission itself, provided to  
52.3 the payor by the payee, provided that:

52.4 (i) there exists a written agreement between the payee and the agent directing the agent  
52.5 to collect and process payments from payors on the payee's behalf;

52.6 (ii) the payee holds the agent out to the public as accepting payments for goods or services  
52.7 on the payee's behalf; and

52.8 (iii) payment for the goods and services is treated as received by the payee upon receipt  
52.9 by the agent so that the payor's obligation is extinguished and there is no risk of loss to the  
52.10 payor if the agent fails to remit the funds to the payee;

52.11 (3) a person that acts as an intermediary by processing payments between an entity that  
52.12 has directly incurred an outstanding money transmission obligation to a sender, and the  
52.13 sender's designated recipient, provided that the entity:

52.14 (i) is properly licensed or exempt from licensing requirements under this chapter;

52.15 (ii) provides a receipt, electronic record, or other written confirmation to the sender  
52.16 identifying the entity as the provider of money transmission in the transaction; and

52.17 (iii) bears sole responsibility to satisfy the outstanding money transmission obligation  
52.18 to the sender, including the obligation to make the sender whole in connection with any  
52.19 failure to transmit the funds to the sender's designated recipient;

52.20 (4) the United States; a department, agency, or instrumentality of the United States; or  
52.21 an agent of the United States;

97.27 (b) Notwithstanding this subdivision, stored value does not include: (1) a payment  
97.28 instrument or closed loop stored value; or (2) stored value not sold to the public but issued  
97.29 and distributed as part of a loyalty, rewards, or promotional program.

97.30 Subd. 29. **Tangible net worth.** "Tangible net worth" means the aggregate assets of a  
97.31 licensee excluding all intangible assets, less liabilities, as determined in accordance with  
97.32 United States generally accepted accounting principles.

98.1 Sec. 15. **[53B.29] EXEMPTIONS.**

98.2 This chapter does not apply to:

98.3 (1) an operator of a payment system, to the extent the operator of a payment system  
98.4 provides processing, clearing, or settlement services between or among persons exempted  
98.5 by this section or licensees in connection with wire transfers, credit card transactions, debit  
98.6 card transactions, stored-value transactions, automated clearing house transfers, or similar  
98.7 funds transfers;

98.8 (2) a person appointed as an agent of a payee to collect and process a payment from a  
98.9 payor to the payee for goods or services, other than money transmission itself, provided to  
98.10 the payor by the payee, provided that:

98.11 (i) there exists a written agreement between the payee and the agent directing the agent  
98.12 to collect and process payments from payors on the payee's behalf;

98.13 (ii) the payee holds the agent out to the public as accepting payments for goods or services  
98.14 on the payee's behalf; and

98.15 (iii) payment for the goods and services is treated as received by the payee upon receipt  
98.16 by the agent so that the payor's obligation is extinguished and there is no risk of loss to the  
98.17 payor if the agent fails to remit the funds to the payee;

98.18 (3) a person that acts as an intermediary by processing payments between an entity that  
98.19 has directly incurred an outstanding money transmission obligation to a sender, and the  
98.20 sender's designated recipient, provided that the entity:

98.21 (i) is properly licensed or exempt from licensing requirements under this chapter;

98.22 (ii) provides a receipt, electronic record, or other written confirmation to the sender  
98.23 identifying the entity as the provider of money transmission in the transaction; and

98.24 (iii) bears sole responsibility to satisfy the outstanding money transmission obligation  
98.25 to the sender, including the obligation to make the sender whole in connection with any  
98.26 failure to transmit the funds to the sender's designated recipient;

98.27 (4) the United States; a department, agency, or instrumentality of the United States; or  
98.28 an agent of the United States;

52.22 (5) money transmission by the United States Postal Service or by an agent of the United  
52.23 States Postal Service;

52.24 (6) a state; county; city; any other governmental agency, governmental subdivision, or  
52.25 instrumentality of a state; or the state's agent;

52.26 (7) a federally insured depository financial institution; bank holding company; office of  
52.27 an international banking corporation; foreign bank that establishes a federal branch pursuant  
52.28 to the International Bank Act, United States Code, title 12, section 3102, as amended or  
52.29 recodified from time to time; corporation organized pursuant to the Bank Service Corporation  
52.30 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from  
52.31 time to time; or corporation organized under the Edge Act, United States Code, title 12,  
52.32 sections 611 to 633, as amended or recodified from time to time;

53.1 (8) electronic funds transfer of governmental benefits for a federal, state, county, or  
53.2 governmental agency by a contractor on behalf of the United States or a department, agency,  
53.3 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or  
53.4 instrumentality thereof;

53.5 (9) a board of trade designated as a contract market under the federal Commodity  
53.6 Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from  
53.7 time to time; or a person that in the ordinary course of business provides clearance and  
53.8 settlement services for a board of trade to the extent of its operation as or for a board;

53.9 (10) a registered futures commission merchant under the federal commodities laws, to  
53.10 the extent of the registered futures commission merchant's operation as a merchant;

53.11 (11) a person registered as a securities broker-dealer under federal or state securities  
53.12 laws, to the extent of the person's operation as a securities broker-dealer;

53.13 (12) an individual employed by a licensee, authorized delegate, or any person exempted  
53.14 from the licensing requirements under this chapter when acting within the scope of  
53.15 employment and under the supervision of the licensee, authorized delegate, or exempted  
53.16 person as an employee and not as an independent contractor;

53.17 (13) a person expressly appointed as a third-party service provider to or agent of an  
53.18 entity exempt under clause (7), solely to the extent that:

53.19 (i) the service provider or agent is engaging in money transmission on behalf of and  
53.20 pursuant to a written agreement with the exempt entity that sets forth the specific functions  
53.21 that the service provider or agent is to perform; and

53.22 (ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying  
53.23 the outstanding money transmission obligations owed to purchasers and holders of the  
53.24 outstanding money transmission obligations upon receipt of the purchaser's or holder's  
53.25 money or monetary value by the service provider or agent; or

98.29 (5) money transmission by the United States Postal Service or by an agent of the United  
98.30 States Postal Service;

98.31 (6) a state; county; city; any other governmental agency, governmental subdivision, or  
98.32 instrumentality of a state; or the state's agent;

99.1 (7) a federally insured depository financial institution; bank holding company; office of  
99.2 an international banking corporation; foreign bank that establishes a federal branch pursuant  
99.3 to the International Bank Act, United States Code, title 12, section 3102, as amended or  
99.4 recodified from time to time; corporation organized pursuant to the Bank Service Corporation  
99.5 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from  
99.6 time to time; or corporation organized under the Edge Act, United States Code, title 12,  
99.7 sections 611 to 633, as amended or recodified from time to time;

99.8 (8) electronic funds transfer of governmental benefits for a federal, state, county, or  
99.9 governmental agency by a contractor on behalf of the United States or a department, agency,  
99.10 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or  
99.11 instrumentality thereof;

99.12 (9) a board of trade designated as a contract market under the federal Commodity  
99.13 Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from  
99.14 time to time; or a person that in the ordinary course of business provides clearance and  
99.15 settlement services for a board of trade to the extent of its operation as or for a board;

99.16 (10) a registered futures commission merchant under the federal commodities laws, to  
99.17 the extent of the registered futures commission merchant's operation as a merchant;

99.18 (11) a person registered as a securities broker-dealer under federal or state securities  
99.19 laws, to the extent of the person's operation as a securities broker-dealer;

99.20 (12) an individual employed by a licensee, authorized delegate, or any person exempted  
99.21 from the licensing requirements under this chapter when acting within the scope of  
99.22 employment and under the supervision of the licensee, authorized delegate, or exempted  
99.23 person as an employee and not as an independent contractor;

99.24 (13) a person expressly appointed as a third-party service provider to or agent of an  
99.25 entity exempt under clause (7), solely to the extent that:

99.26 (i) the service provider or agent is engaging in money transmission on behalf of and  
99.27 pursuant to a written agreement with the exempt entity that sets forth the specific functions  
99.28 that the service provider or agent is to perform; and

99.29 (ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying  
99.30 the outstanding money transmission obligations owed to purchasers and holders of the  
99.31 outstanding money transmission obligations upon receipt of the purchaser's or holder's  
99.32 money or monetary value by the service provider or agent; or

53.26 (14) a person exempt by regulation or order if the commissioner finds that (i) the  
 53.27 exemption is in the public interest, and (ii) the regulation of the person is not necessary for  
 53.28 the purposes of this chapter.

54.1 Sec. 4. **[53B.30] AUTHORITY TO REQUIRE DEMONSTRATION OF**  
 54.2 **EXEMPTION.**

54.3 The commissioner may require any person that claims to be exempt from licensing under  
 54.4 section 53B.29 to provide to the commissioner information and documentation that  
 54.5 demonstrates the person qualifies for any claimed exemption.

54.6 Sec. 5. **[53B.31] IMPLEMENTATION.**

54.7 Subdivision 1. **General authority.** In order to carry out the purposes of this chapter, the  
 54.8 commissioner may, subject to section 53B.32, paragraphs (a) and (b):

54.9 (1) enter into agreements or relationships with other government officials or federal and  
 54.10 state regulatory agencies and regulatory associations in order to (i) improve efficiencies  
 54.11 and reduce regulatory burden by standardizing methods or procedures, and (ii) share  
 54.12 resources, records, or related information obtained under this chapter;

54.13 (2) use, hire, contract, or employ analytical systems, methods, or software to examine  
 54.14 or investigate any person subject to this chapter;

54.15 (3) accept from other state or federal government agencies or officials any licensing,  
 54.16 examination, or investigation reports made by the other state or federal government agencies  
 54.17 or officials; and

54.18 (4) accept audit reports made by an independent certified public accountant or other  
 54.19 qualified third-party auditor for an applicant or licensee and incorporate the audit report in  
 54.20 any report of examination or investigation.

54.21 Subd. 2. **Administrative authority.** The commissioner is granted broad administrative  
 54.22 authority to: (1) administer, interpret, and enforce this chapter; (2) adopt regulations to  
 54.23 implement this chapter; and (3) recover the costs incurred to administer and enforce this  
 54.24 chapter by imposing and collecting proportionate and equitable fees and costs associated  
 54.25 with applications, examinations, investigations, and other actions required to achieve the  
 54.26 purpose of this chapter.

54.27 Sec. 6. **[53B.32] CONFIDENTIALITY.**

54.28 (a) All information or reports obtained by the commissioner contained in or related to  
 54.29 an examination that is prepared by, on behalf of, or for the use of the commissioner are  
 54.30 confidential and are not subject to disclosure under section 46.07.

100.1 (14) a person exempt by regulation or order if the commissioner finds that (i) the  
 100.2 exemption is in the public interest, and (ii) the regulation of the person is not necessary for  
 100.3 the purposes of this chapter.

100.4 Sec. 16. **[53B.30] AUTHORITY TO REQUIRE DEMONSTRATION OF**  
 100.5 **EXEMPTION.**

100.6 The commissioner may require any person that claims to be exempt from licensing under  
 100.7 section 53B.29 to provide to the commissioner information and documentation that  
 100.8 demonstrates the person qualifies for any claimed exemption.

100.9 Sec. 17. **[53B.31] IMPLEMENTATION.**

100.10 Subdivision 1. **General authority.** In order to carry out the purposes of this chapter, the  
 100.11 commissioner may, subject to section 53B.32, paragraphs (a) and (b):

100.12 (1) enter into agreements or relationships with other government officials or federal and  
 100.13 state regulatory agencies and regulatory associations in order to (i) improve efficiencies  
 100.14 and reduce regulatory burden by standardizing methods or procedures, and (ii) share  
 100.15 resources, records, or related information obtained under this chapter;

100.16 (2) use, hire, contract, or employ analytical systems, methods, or software to examine  
 100.17 or investigate any person subject to this chapter;

100.18 (3) accept from other state or federal government agencies or officials any licensing,  
 100.19 examination, or investigation reports made by the other state or federal government agencies  
 100.20 or officials; and

100.21 (4) accept audit reports made by an independent certified public accountant or other  
 100.22 qualified third-party auditor for an applicant or licensee and incorporate the audit report in  
 100.23 any report of examination or investigation.

100.24 Subd. 2. **Administrative authority.** The commissioner is granted broad administrative  
 100.25 authority to: (1) administer, interpret, and enforce this chapter; (2) adopt regulations to  
 100.26 implement this chapter; and (3) recover the costs incurred to administer and enforce this  
 100.27 chapter by imposing and collecting proportionate and equitable fees and costs associated  
 100.28 with applications, examinations, investigations, and other actions required to achieve the  
 100.29 purpose of this chapter.

101.1 Sec. 18. **[53B.32] CONFIDENTIALITY.**

101.2 (a) All information or reports obtained by the commissioner contained in or related to  
 101.3 an examination that is prepared by, on behalf of, or for the use of the commissioner are  
 101.4 confidential and are not subject to disclosure under section 46.07.



55.1 (b) The commissioner may disclose information not otherwise subject to disclosure  
 55.2 under paragraph (a) to representatives of state or federal agencies pursuant to section 53B.31,  
 55.3 subdivision 1.

55.4 (c) This section does not prohibit the commissioner from disclosing to the public a list  
 55.5 of all licensees or the aggregated financial or transactional data concerning those licensees.

55.6 Sec. 7. [53B.33] SUPERVISION.

55.7 (a) The commissioner may conduct an examination or investigation of a licensee or  
 55.8 authorized delegate or otherwise take independent action authorized by this chapter, or by  
 55.9 a rule adopted or order issued under this chapter, as reasonably necessary or appropriate to  
 55.10 administer and enforce this chapter, rules implementing this chapter, and other applicable  
 55.11 law, including the Bank Secrecy Act and the USA PATRIOT Act, Public Law 107-56. The  
 55.12 commissioner may:

55.13 (1) conduct an examination either on site or off site as the commissioner may reasonably  
 55.14 require;

55.15 (2) conduct an examination in conjunction with an examination conducted by  
 55.16 representatives of other state agencies or agencies of another state or of the federal  
 55.17 government;

55.18 (3) accept the examination report of another state agency or an agency of another state  
 55.19 or of the federal government, or a report prepared by an independent accounting firm, which  
 55.20 on being accepted is considered for all purposes as an official report of the commissioner;  
 55.21 and

55.22 (4) summon and examine under oath a key individual or employee of a licensee or  
 55.23 authorized delegate and require the person to produce records regarding any matter related  
 55.24 to the condition and business of the licensee or authorized delegate.

55.25 (b) A licensee or authorized delegate must provide, and the commissioner has full and  
 55.26 complete access to, all records the commissioner may reasonably require to conduct a  
 55.27 complete examination. The records must be provided at the location and in the format  
 55.28 specified by the commissioner. The commissioner may use multistate record production  
 55.29 standards and examination procedures when the standards reasonably achieve the  
 55.30 requirements of this paragraph.

55.31 (c) Unless otherwise directed by the commissioner, a licensee must pay all costs  
 55.32 reasonably incurred in connection with an examination of the licensee or the licensee's  
 55.33 authorized delegates.

55.61 Sec. 8. [53B.34] NETWORKED SUPERVISION.

55.62 (a) To efficiently and effectively administer and enforce this chapter and to minimize  
 55.63 regulatory burden, the commissioner is authorized to participate in multistate supervisory  
 55.64 processes established between states and coordinated through the Conference of State Bank

101.5 (b) The commissioner may disclose information not otherwise subject to disclosure  
 101.6 under paragraph (a) to representatives of state or federal agencies pursuant to section 53B.31,  
 101.7 subdivision 1.

101.8 (c) This section does not prohibit the commissioner from disclosing to the public a list  
 101.9 of all licensees or the aggregated financial or transactional data concerning those licensees.

101.10 Sec. 19. [53B.33] SUPERVISION.

101.11 (a) The commissioner may conduct an examination or investigation of a licensee or  
 101.12 authorized delegate or otherwise take independent action authorized by this chapter, or by  
 101.13 a rule adopted or order issued under this chapter, as reasonably necessary or appropriate to  
 101.14 administer and enforce this chapter, rules implementing this chapter, and other applicable  
 101.15 law, including the Bank Secrecy Act and the USA PATRIOT Act, Public Law 107-56. The  
 101.16 commissioner may:

101.17 (1) conduct an examination either on site or off site as the commissioner may reasonably  
 101.18 require;

101.19 (2) conduct an examination in conjunction with an examination conducted by  
 101.20 representatives of other state agencies or agencies of another state or of the federal  
 101.21 government;

101.22 (3) accept the examination report of another state agency or an agency of another state  
 101.23 or of the federal government, or a report prepared by an independent accounting firm, which  
 101.24 on being accepted is considered for all purposes as an official report of the commissioner;  
 101.25 and

101.26 (4) summon and examine under oath a key individual or employee of a licensee or  
 101.27 authorized delegate and require the person to produce records regarding any matter related  
 101.28 to the condition and business of the licensee or authorized delegate.

101.29 (b) A licensee or authorized delegate must provide, and the commissioner has full and  
 101.30 complete access to, all records the commissioner may reasonably require to conduct a  
 101.31 complete examination. The records must be provided at the location and in the format  
 101.32 specified by the commissioner. The commissioner may use multistate record production  
 102.1 standards and examination procedures when the standards reasonably achieve the  
 102.2 requirements of this paragraph.

102.3 (c) Unless otherwise directed by the commissioner, a licensee must pay all costs  
 102.4 reasonably incurred in connection with an examination of the licensee or the licensee's  
 102.5 authorized delegates.

102.6 Sec. 20. [53B.34] NETWORKED SUPERVISION.

102.7 (a) To efficiently and effectively administer and enforce this chapter and to minimize  
 102.8 regulatory burden, the commissioner is authorized to participate in multistate supervisory  
 102.9 processes established between states and coordinated through the Conference of State Bank

56.5 Supervisors, the Money Transmitter Regulators Association, and the affiliates and successors  
 56.6 of the Conference of State Bank Supervisors and the Money Transmitter Regulators  
 56.7 Association for all licensees that hold licenses in this state and other states. As a participant  
 56.8 in multistate supervision, the commissioner may:

56.9 (1) cooperate, coordinate, and share information with other state and federal regulators  
 56.10 in accordance with section 53B.32;

56.11 (2) enter into written cooperation, coordination, or information-sharing contracts or  
 56.12 agreements with organizations the membership of which is made up of state or federal  
 56.13 governmental agencies; and

56.14 (3) cooperate, coordinate, and share information with organizations the membership of  
 56.15 which is made up of state or federal governmental agencies, provided that the organizations  
 56.16 agree in writing to maintain the confidentiality and security of the shared information in  
 56.17 accordance with section 53B.32.

56.18 (b) The commissioner is prohibited from waiving, and nothing in this section constitutes  
 56.19 a waiver of, the commissioner's authority to conduct an examination or investigation or  
 56.20 otherwise take independent action authorized by this chapter, or a rule adopted or order  
 56.21 issued under this chapter, to enforce compliance with applicable state or federal law.

56.22 (c) A joint examination or investigation, or acceptance of an examination or investigation  
 56.23 report, does not waive an examination fee provided for in this chapter.

56.24 **Sec. 9. [53B.35] RELATIONSHIP TO FEDERAL LAW.**

56.25 (a) In the event state money transmission jurisdiction is conditioned on a federal law,  
 56.26 any inconsistencies between a provision of this chapter and the federal law governing money  
 56.27 transmission is governed by the applicable federal law to the extent of the inconsistency.

56.28 (b) In the event of any inconsistencies between this chapter and a federal law that governs  
 56.29 pursuant to paragraph (a), the commissioner may provide interpretive guidance that:

56.30 (1) identifies the inconsistency; and

56.31 (2) identifies the appropriate means of compliance with federal law.

57.1 **Sec. 10. [53B.36] LICENSE REQUIRED.**

57.2 (a) A person is prohibited from engaging in the business of money transmission, or  
 57.3 advertising, soliciting, or representing that the person provides money transmission, unless  
 57.4 the person is licensed under this chapter.

57.5 (b) Paragraph (a) does not apply to:

57.6 (1) a person that is an authorized delegate of a person licensed under this chapter acting  
 57.7 within the scope of authority conferred by a written contract with the licensee; or

102.10 Supervisors, the Money Transmitter Regulators Association, and the affiliates and successors  
 102.11 of the Conference of State Bank Supervisors and the Money Transmitter Regulators  
 102.12 Association for all licensees that hold licenses in this state and other states. As a participant  
 102.13 in multistate supervision, the commissioner may:

102.14 (1) cooperate, coordinate, and share information with other state and federal regulators  
 102.15 in accordance with section 53B.32;

102.16 (2) enter into written cooperation, coordination, or information-sharing contracts or  
 102.17 agreements with organizations the membership of which is made up of state or federal  
 102.18 governmental agencies; and

102.19 (3) cooperate, coordinate, and share information with organizations the membership of  
 102.20 which is made up of state or federal governmental agencies, provided that the organizations  
 102.21 agree in writing to maintain the confidentiality and security of the shared information in  
 102.22 accordance with section 53B.32.

102.23 (b) The commissioner is prohibited from waiving, and nothing in this section constitutes  
 102.24 a waiver of, the commissioner's authority to conduct an examination or investigation or  
 102.25 otherwise take independent action authorized by this chapter, or a rule adopted or order  
 102.26 issued under this chapter, to enforce compliance with applicable state or federal law.

102.27 (c) A joint examination or investigation, or acceptance of an examination or investigation  
 102.28 report, does not waive an examination fee provided for in this chapter.

102.29 **Sec. 21. [53B.35] RELATIONSHIP TO FEDERAL LAW.**

102.30 (a) In the event state money transmission jurisdiction is conditioned on a federal law,  
 102.31 any inconsistencies between a provision of this chapter and the federal law governing money  
 102.32 transmission is governed by the applicable federal law to the extent of the inconsistency.

103.1 (b) In the event of any inconsistencies between this chapter and a federal law that governs  
 103.2 pursuant to paragraph (a), the commissioner may provide interpretive guidance that:

103.3 (1) identifies the inconsistency; and

103.4 (2) identifies the appropriate means of compliance with federal law.

103.5 **Sec. 22. [53B.36] LICENSE REQUIRED.**

103.6 (a) A person is prohibited from engaging in the business of money transmission, or  
 103.7 advertising, soliciting, or representing that the person provides money transmission, unless  
 103.8 the person is licensed under this chapter.

103.9 (b) Paragraph (a) does not apply to:

103.10 (1) a person that is an authorized delegate of a person licensed under this chapter acting  
 103.11 within the scope of authority conferred by a written contract with the licensee; or

57.8 (2) a person that is exempt under section 53B.29 and does not engage in money  
57.9 transmission outside the scope of the exemption.

57.10 (c) A license issued under section 53B.40 is not transferable or assignable.

57.11 **Sec. 11. [53B.37] CONSISTENT STATE LICENSING.**

57.12 (a) To establish consistent licensing between Minnesota and other states, the  
57.13 commissioner is authorized to:

57.14 (1) implement all licensing provisions of this chapter in a manner that is consistent with  
57.15 (i) other states that have adopted substantially similar licensing requirements, or (ii) multistate  
57.16 licensing processes; and

57.17 (2) participate in nationwide protocols for licensing cooperation and coordination among  
57.18 state regulators, provided that the protocols are consistent with this chapter.

57.19 (b) In order to fulfill the purposes of this chapter, the commissioner is authorized to  
57.20 establish relationships or contracts with NMLS or other entities designated by NMLS to  
57.21 enable the commissioner to:

57.22 (1) collect and maintain records;

57.23 (2) coordinate multistate licensing processes and supervision processes;

57.24 (3) process fees; and

57.25 (4) facilitate communication between the commissioner and licensees or other persons  
57.26 subject to this chapter.

57.27 (c) The commissioner is authorized to use NMLS for all aspects of licensing in accordance  
57.28 with this chapter, including but not limited to license applications, applications for  
57.29 acquisitions of control, surety bonds, reporting, criminal history background checks, credit  
57.30 checks, fee processing, and examinations.

58.1 (d) The commissioner is authorized to use NMLS forms, processes, and functions in  
58.2 accordance with this chapter. If NMLS does not provide functionality, forms, or processes  
58.3 for a requirement under this chapter, the commissioner is authorized to implement the  
58.4 requirements in a manner that facilitates uniformity with respect to licensing, supervision,  
58.5 reporting, and regulation of licensees which are licensed in multiple jurisdictions.

58.6 (e) For the purpose of participating in the NMLS registry, the commissioner is authorized  
58.7 to, by rule or order: (1) waive or modify, in whole or in part, any or all of the requirements;  
58.8 and (2) establish new requirements as reasonably necessary to participate in the NMLS  
58.9 registry.

103.12 (2) a person that is exempt under section 53B.29 and does not engage in money  
103.13 transmission outside the scope of the exemption.

103.14 (c) A license issued under section 53B.40 is not transferable or assignable.

103.15 **Sec. 23. [53B.37] CONSISTENT STATE LICENSING.**

103.16 (a) To establish consistent licensing between Minnesota and other states, the  
103.17 commissioner is authorized to:

103.18 (1) implement all licensing provisions of this chapter in a manner that is consistent with  
103.19 (i) other states that have adopted substantially similar licensing requirements, or (ii) multistate  
103.20 licensing processes; and

103.21 (2) participate in nationwide protocols for licensing cooperation and coordination among  
103.22 state regulators, provided that the protocols are consistent with this chapter.

103.23 (b) In order to fulfill the purposes of this chapter, the commissioner is authorized to  
103.24 establish relationships or contracts with NMLS or other entities designated by NMLS to  
103.25 enable the commissioner to:

103.26 (1) collect and maintain records;

103.27 (2) coordinate multistate licensing processes and supervision processes;

103.28 (3) process fees; and

104.1 (4) facilitate communication between the commissioner and licensees or other persons  
104.2 subject to this chapter.

104.3 (c) The commissioner is authorized to use NMLS for all aspects of licensing in accordance  
104.4 with this chapter, including but not limited to license applications, applications for  
104.5 acquisitions of control, surety bonds, reporting, criminal history background checks, credit  
104.6 checks, fee processing, and examinations.

104.7 (d) The commissioner is authorized to use NMLS forms, processes, and functions in  
104.8 accordance with this chapter. If NMLS does not provide functionality, forms, or processes  
104.9 for a requirement under this chapter, the commissioner is authorized to implement the  
104.10 requirements in a manner that facilitates uniformity with respect to licensing, supervision,  
104.11 reporting, and regulation of licensees which are licensed in multiple jurisdictions.

104.12 (e) For the purpose of participating in the NMLS registry, the commissioner is authorized  
104.13 to, by rule or order: (1) waive or modify, in whole or in part, any or all of the requirements;  
104.14 and (2) establish new requirements as reasonably necessary to participate in the NMLS  
104.15 registry.

58.10 Sec. 12. [53B.38] APPLICATION FOR LICENSE.

58.11 (a) An applicant for a license must apply in a form and in a medium as prescribed by  
 58.12 the commissioner. The application must state or contain, as applicable:

58.13 (1) the legal name and residential and business addresses of the applicant and any  
 58.14 fictitious or trade name used by the applicant in conducting business;

58.15 (2) a list of any criminal convictions of the applicant and any material litigation in which  
 58.16 the applicant has been involved in the ten-year period next preceding the submission of the  
 58.17 application;

58.18 (3) a description of any money transmission previously provided by the applicant and  
 58.19 the money transmission that the applicant seeks to provide in this state;

58.20 (4) a list of the applicant's proposed authorized delegates and the locations in this state  
 58.21 where the applicant and the applicant's authorized delegates propose to engage in money  
 58.22 transmission;

58.23 (5) a list of other states in which the applicant is licensed to engage in money transmission  
 58.24 and any license revocations, suspensions, or other disciplinary action taken against the  
 58.25 applicant in another state;

58.26 (6) information concerning any bankruptcy or receivership proceedings affecting the  
 58.27 licensee or a person in control of a licensee;

58.28 (7) a sample form of contract for authorized delegates, if applicable;

58.29 (8) a sample form of payment instrument or stored value, as applicable;

58.30 (9) the name and address of any federally insured depository financial institution through  
 58.31 which the applicant plans to conduct money transmission; and

59.1 (10) any other information the commissioner or NMLS reasonably requires with respect  
 59.2 to the applicant.

59.3 (b) If an applicant is a corporation, limited liability company, partnership, or other legal  
 59.4 entity, the applicant must also provide:

59.5 (1) the date of the applicant's incorporation or formation and state or country of  
 59.6 incorporation or formation;

59.7 (2) if applicable, a certificate of good standing from the state or country in which the  
 59.8 applicant is incorporated or formed;

59.9 (3) a brief description of the structure or organization of the applicant, including any  
 59.10 parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly  
 59.11 traded;

104.16 Sec. 24. [53B.38] APPLICATION FOR LICENSE.

104.17 (a) An applicant for a license must apply in a form and in a medium as prescribed by  
 104.18 the commissioner. The application must state or contain, as applicable:

104.19 (1) the legal name and residential and business addresses of the applicant and any  
 104.20 fictitious or trade name used by the applicant in conducting business;

104.21 (2) a list of any criminal convictions of the applicant and any material litigation in which  
 104.22 the applicant has been involved in the ten-year period next preceding the submission of the  
 104.23 application;

104.24 (3) a description of any money transmission previously provided by the applicant and  
 104.25 the money transmission that the applicant seeks to provide in this state;

104.26 (4) a list of the applicant's proposed authorized delegates and the locations in this state  
 104.27 where the applicant and the applicant's authorized delegates propose to engage in money  
 104.28 transmission;

104.29 (5) a list of other states in which the applicant is licensed to engage in money transmission  
 104.30 and any license revocations, suspensions, or other disciplinary action taken against the  
 104.31 applicant in another state;

105.1 (6) information concerning any bankruptcy or receivership proceedings affecting the  
 105.2 licensee or a person in control of a licensee;

105.3 (7) a sample form of contract for authorized delegates, if applicable;

105.4 (8) a sample form of payment instrument or stored value, as applicable;

105.5 (9) the name and address of any federally insured depository financial institution through  
 105.6 which the applicant plans to conduct money transmission; and

105.7 (10) any other information the commissioner or NMLS reasonably requires with respect  
 105.8 to the applicant.

105.9 (b) If an applicant is a corporation, limited liability company, partnership, or other legal  
 105.10 entity, the applicant must also provide:

105.11 (1) the date of the applicant's incorporation or formation and state or country of  
 105.12 incorporation or formation;

105.13 (2) if applicable, a certificate of good standing from the state or country in which the  
 105.14 applicant is incorporated or formed;

105.15 (3) a brief description of the structure or organization of the applicant, including any  
 105.16 parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly  
 105.17 traded;

59.12 (4) the legal name, any fictitious or trade name, all business and residential addresses,  
59.13 and the employment, as applicable, in the ten-year period next preceding the submission of  
59.14 the application of each key individual and person in control of the applicant;

59.15 (5) a list of any criminal convictions and material litigation in which a person in control  
59.16 of the applicant that is not an individual has been involved in the ten-year period preceding  
59.17 the submission of the application;

59.18 (6) a copy of audited financial statements of the applicant for the most recent fiscal year  
59.19 and for the two-year period next preceding the submission of the application or, if the  
59.20 commissioner deems acceptable, certified unaudited financial statements for the most recent  
59.21 fiscal year or other period acceptable to the commissioner;

59.22 (7) a certified copy of unaudited financial statements of the applicant for the most recent  
59.23 fiscal quarter;

59.24 (8) if the applicant is a publicly traded corporation, a copy of the most recent report filed  
59.25 with the United States Securities and Exchange Commission under section 13 of the federal  
59.26 Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or  
59.27 recodified from time to time;

59.28 (9) if the applicant is a wholly owned subsidiary of:

59.29 (i) a corporation publicly traded in the United States, a copy of audited financial  
59.30 statements for the parent corporation for the most recent fiscal year or a copy of the parent  
59.31 corporation's most recent report filed under section 13 of the Securities Exchange Act of  
60.1 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;  
60.2 or

60.3 (ii) a corporation publicly traded outside the United States, a copy of similar  
60.4 documentation filed with the regulator of the parent corporation's domicile outside the  
60.5 United States;

60.6 (10) the name and address of the applicant's registered agent in this state; and

60.7 (11) any other information the commissioner reasonably requires with respect to the  
60.8 applicant.

60.9 (c) A nonrefundable application fee of \$4,000 must accompany an application for a  
60.10 license under this section.

60.11 (d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and  
60.12 (b); or (2) permit an applicant to submit other information in lieu of the required information.

105.18 (4) the legal name, any fictitious or trade name, all business and residential addresses,  
105.19 and the employment, as applicable, in the ten-year period next preceding the submission of  
105.20 the application of each key individual and person in control of the applicant;

105.21 (5) a list of any criminal convictions and material litigation in which a person in control  
105.22 of the applicant that is not an individual has been involved in the ten-year period preceding  
105.23 the submission of the application;

105.24 (6) a copy of audited financial statements of the applicant for the most recent fiscal year  
105.25 and for the two-year period next preceding the submission of the application or, if the  
105.26 commissioner deems acceptable, certified unaudited financial statements for the most recent  
105.27 fiscal year or other period acceptable to the commissioner;

105.28 (7) a certified copy of unaudited financial statements of the applicant for the most recent  
105.29 fiscal quarter;

105.30 (8) if the applicant is a publicly traded corporation, a copy of the most recent report filed  
105.31 with the United States Securities and Exchange Commission under section 13 of the federal  
106.1 Securities Exchange Act of 1934, United States Code, title 15, section 78m, as amended or  
106.2 recodified from time to time;

106.3 (9) if the applicant is a wholly owned subsidiary of:

106.4 (i) a corporation publicly traded in the United States, a copy of audited financial  
106.5 statements for the parent corporation for the most recent fiscal year or a copy of the parent  
106.6 corporation's most recent report filed under section 13 of the Securities Exchange Act of  
106.7 1934, United States Code, title 15, section 78m, as amended or recodified from time to time;  
106.8 or

106.9 (ii) a corporation publicly traded outside the United States, a copy of similar  
106.10 documentation filed with the regulator of the parent corporation's domicile outside the  
106.11 United States;

106.12 (10) the name and address of the applicant's registered agent in this state; and

106.13 (11) any other information the commissioner reasonably requires with respect to the  
106.14 applicant.

106.15 (c) A nonrefundable application fee of \$4,000 must accompany an application for a  
106.16 license under this section.

106.17 (d) The commissioner may: (1) waive one or more requirements of paragraphs (a) and  
106.18 (b); or (2) permit an applicant to submit other information in lieu of the required information.

60.13 Sec. 13. [53B.39] INFORMATION REQUIREMENTS; CERTAIN INDIVIDUALS.

60.14 Subdivision 1. **Individuals with or seeking control.** Any individual in control of a  
 60.15 licensee or applicant, any individual that seeks to acquire control of a licensee, and each  
 60.16 key individual must furnish to the commissioner through NMLS:

60.17 (1) the individual's fingerprints for submission to the Federal Bureau of Investigation  
 60.18 and the commissioner for a national criminal history background check, unless the person  
 60.19 currently resides outside of the United States and has resided outside of the United States  
 60.20 for the last ten years; and

60.21 (2) personal history and business experience in a form and in a medium prescribed by  
 60.22 the commissioner, to obtain:

60.23 (i) an independent credit report from a consumer reporting agency;

60.24 (ii) information related to any criminal convictions or pending charges; and

60.25 (iii) information related to any regulatory or administrative action and any civil litigation  
 60.26 involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach  
 60.27 of fiduciary duty, or breach of contract.

60.28 Subd. 2. **Individuals having resided outside the United States.** (a) If an individual  
 60.29 has resided outside of the United States at any time in the last ten years, the individual must  
 60.30 also provide an investigative background report prepared by an independent search firm  
 60.31 that meets the requirements of this subdivision.

61.1 (b) At a minimum, the search firm must:

61.2 (1) demonstrate that the search firm has sufficient knowledge, resources, and employs  
 61.3 accepted and reasonable methodologies to conduct the research of the background report;  
 61.4 and

61.5 (2) not be affiliated with or have an interest with the individual the search firm is  
 61.6 researching.

61.7 (c) At a minimum, the investigative background report must be written in English and  
 61.8 must contain:

61.9 (1) if available in the individual's current jurisdiction of residency, a comprehensive  
 61.10 credit report, or any equivalent information obtained or generated by the independent search  
 61.11 firm to accomplish a credit report, including a search of the court data in the countries,  
 61.12 provinces, states, cities, towns, and contiguous areas where the individual resided and  
 61.13 worked;

61.14 (2) criminal records information for the past ten years, including but not limited to  
 61.15 felonies, misdemeanors, or similar convictions for violations of law in the countries,

106.19 Sec. 25. [53B.39] INFORMATION REQUIREMENTS; CERTAIN INDIVIDUALS.

106.20 Subdivision 1. **Individuals with or seeking control.** Any individual in control of a  
 106.21 licensee or applicant, any individual that seeks to acquire control of a licensee, and each  
 106.22 key individual must furnish to the commissioner through NMLS:

106.23 (1) the individual's fingerprints for submission to the Federal Bureau of Investigation  
 106.24 and the commissioner for a national criminal history background check, unless the person  
 106.25 currently resides outside of the United States and has resided outside of the United States  
 106.26 for the last ten years; and

106.27 (2) personal history and business experience in a form and in a medium prescribed by  
 106.28 the commissioner, to obtain:

106.29 (i) an independent credit report from a consumer reporting agency;

106.30 (ii) information related to any criminal convictions or pending charges; and

107.1 (iii) information related to any regulatory or administrative action and any civil litigation  
 107.2 involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach  
 107.3 of fiduciary duty, or breach of contract.

107.4 Subd. 2. **Individuals having resided outside the United States.** (a) If an individual  
 107.5 has resided outside of the United States at any time in the last ten years, the individual must  
 107.6 also provide an investigative background report prepared by an independent search firm  
 107.7 that meets the requirements of this subdivision.

107.8 (b) At a minimum, the search firm must:

107.9 (1) demonstrate that the search firm has sufficient knowledge, resources, and employs  
 107.10 accepted and reasonable methodologies to conduct the research of the background report;  
 107.11 and

107.12 (2) not be affiliated with or have an interest with the individual the search firm is  
 107.13 researching.

107.14 (c) At a minimum, the investigative background report must be written in English and  
 107.15 must contain:

107.16 (1) if available in the individual's current jurisdiction of residency, a comprehensive  
 107.17 credit report, or any equivalent information obtained or generated by the independent search  
 107.18 firm to accomplish a credit report, including a search of the court data in the countries,  
 107.19 provinces, states, cities, towns, and contiguous areas where the individual resided and  
 107.20 worked;

107.21 (2) criminal records information for the past ten years, including but not limited to  
 107.22 felonies, misdemeanors, or similar convictions for violations of law in the countries,

61.16 provinces, states, cities, towns, and contiguous areas where the individual resided and  
61.17 worked;

61.18 (3) employment history;

61.19 (4) media history, including an electronic search of national and local publications, wire  
61.20 services, and business applications; and

61.21 (5) financial services-related regulatory history, including but not limited to money  
61.22 transmission, securities, banking, consumer finance, insurance, and mortgage-related  
61.23 industries.

61.24 Sec. 14. **[53B.40] LICENSE ISSUANCE.**

61.25 (a) When an application for an original license under this chapter includes all of the  
61.26 items and addresses all of the matters that are required, the application is complete and the  
61.27 commissioner must promptly notify the applicant in a record of the date on which the  
61.28 application is determined to be complete.

61.29 (b) The commissioner's determination that an application is complete and accepted for  
61.30 processing means only that the application, on the application's face, appears to include all  
61.31 of the items, including the criminal background check response from the Federal Bureau  
61.32 of Investigation, and address all of the matters that are required. The commissioner's  
62.1 determination that an application is complete is not an assessment of the substance of the  
62.2 application or of the sufficiency of the information provided.

62.3 (c) When an application is filed and considered complete under this section, the  
62.4 commissioner must investigate the applicant's financial condition and responsibility, financial  
62.5 and business experience, character, and general fitness. The commissioner may conduct an  
62.6 investigation of the applicant, the reasonable cost of which the applicant must pay. The  
62.7 commissioner must issue a license to an applicant under this section if the commissioner  
62.8 finds:

62.9 (1) the applicant has complied with sections 53B.38 and 53B.39; and

62.10 (2) the financial condition and responsibility; financial and business experience,  
62.11 competence, character, and general fitness of the applicant; and the competence, experience,  
62.12 character, and general fitness of the key individuals and persons in control of the applicant  
62.13 indicate that it is in the interest of the public to permit the applicant to engage in money  
62.14 transmission.

62.15 (d) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

62.16 (1) the commissioner is authorized to accept the investigation results of a lead  
62.17 investigative state for the purposes of paragraph (c); or

62.18 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
62.19 the applicant pursuant to paragraph (c) and the time frames established by agreement through

107.23 provinces, states, cities, towns, and contiguous areas where the individual resided and  
107.24 worked;

107.25 (3) employment history;

107.26 (4) media history, including an electronic search of national and local publications, wire  
107.27 services, and business applications; and

107.28 (5) financial services-related regulatory history, including but not limited to money  
107.29 transmission, securities, banking, consumer finance, insurance, and mortgage-related  
107.30 industries.

108.1 Sec. 26. **[53B.40] LICENSE ISSUANCE.**

108.2 (a) When an application for an original license under this chapter includes all of the  
108.3 items and addresses all of the matters that are required, the application is complete and the  
108.4 commissioner must promptly notify the applicant in a record of the date on which the  
108.5 application is determined to be complete.

108.6 (b) The commissioner's determination that an application is complete and accepted for  
108.7 processing means only that the application, on the application's face, appears to include all  
108.8 of the items, including the criminal background check response from the Federal Bureau  
108.9 of Investigation, and address all of the matters that are required. The commissioner's  
108.10 determination that an application is complete is not an assessment of the substance of the  
108.11 application or of the sufficiency of the information provided.

108.12 (c) When an application is filed and considered complete under this section, the  
108.13 commissioner must investigate the applicant's financial condition and responsibility, financial  
108.14 and business experience, character, and general fitness. The commissioner may conduct an  
108.15 investigation of the applicant, the reasonable cost of which the applicant must pay. The  
108.16 commissioner must issue a license to an applicant under this section if the commissioner  
108.17 finds:

108.18 (1) the applicant has complied with sections 53B.38 and 53B.39; and

108.19 (2) the financial condition and responsibility; financial and business experience,  
108.20 competence, character, and general fitness of the applicant; and the competence, experience,  
108.21 character, and general fitness of the key individuals and persons in control of the applicant  
108.22 indicate that it is in the interest of the public to permit the applicant to engage in money  
108.23 transmission.

108.24 (d) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

108.25 (1) the commissioner is authorized to accept the investigation results of a lead  
108.26 investigative state for the purposes of paragraph (c); or

108.27 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
108.28 the applicant pursuant to paragraph (c) and the time frames established by agreement through

62.20 the multistate licensing process, provided that the time frame complies with the application  
 62.21 review period provided under paragraph (e).

62.22 (e) The commissioner must approve or deny the application within 120 days after the  
 62.23 date the application is deemed complete. If the application is not approved or denied within  
 62.24 120 days after the completion date, the application is approved and the license takes effect  
 62.25 on the first business day after the 120-day period expires.

62.26 (f) The commissioner must issue a formal written notice of the denial of a license  
 62.27 application within 30 days of the date the decision to deny the application is made. The  
 62.28 commissioner must set forth in the notice of denial the specific reasons for the denial of the  
 62.29 application. An applicant whose application is denied by the commissioner under this  
 62.30 paragraph may appeal within 30 days of the date the written notice of the denial is received.  
 62.31 The commissioner must set a hearing date that is not later than 60 days after service of the  
 62.32 response, unless a later date is set with the consent of the denied applicant.

63.1 (g) The initial license term begins on the day the application is approved. The license  
 63.2 expires on December 31 of the year in which the license term began, unless the initial license  
 63.3 date is between November 1 and December 31, in which case the initial license term runs  
 63.4 through December 31 of the following year. If a license is approved between November 1  
 63.5 and December 31, the applicant is subject to the renewal fee under section 53B.31, paragraph  
 63.6 (a).

63.7 **Sec. 15. [53B.41] LICENSE RENEWAL.**

63.8 (a) A license under this chapter must be renewed annually. An annual renewal fee of  
 63.9 \$2,500 must be paid no more than 60 days before the license expires. The renewal term is  
 63.10 a period of one year and begins on January 1 each year after the initial license term. The  
 63.11 renewal term expires on December 31 of the year the renewal term begins.

63.12 (b) A licensee must submit a renewal report with the renewal fee, in a form and in a  
 63.13 medium prescribed by the commissioner. The renewal report must state or contain a  
 63.14 description of each material change in information submitted by the licensee in the licensee's  
 63.15 original license application that has not been previously reported to the commissioner.

63.16 (c) The commissioner may grant an extension of the renewal date for good cause.

63.17 (d) The commissioner is authorized to use the NMLS to process license renewals,  
 63.18 provided that the NMLS functionality is consistent with this section.

63.19 **Sec. 16. [53B.42] MAINTENANCE OF LICENSE.**

63.20 (a) If a licensee does not continue to meet the qualifications or satisfy the requirements  
 63.21 that apply to an applicant for a new money transmission license, the commissioner may  
 63.22 suspend or revoke the licensee's license in accordance with the procedures established by  
 63.23 this chapter or other applicable state law for license suspension or revocation.

108.29 the multistate licensing process, provided that the time frame complies with the application  
 108.30 review period provided under paragraph (e).

108.31 (e) The commissioner must approve or deny the application within 120 days after the  
 108.32 date the application is deemed complete. If the application is not approved or denied within  
 109.1 120 days after the completion date, the application is approved and the license takes effect  
 109.2 on the first business day after the 120-day period expires.

109.3 (f) The commissioner must issue a formal written notice of the denial of a license  
 109.4 application within 30 days of the date the decision to deny the application is made. The  
 109.5 commissioner must set forth in the notice of denial the specific reasons for the denial of the  
 109.6 application. An applicant whose application is denied by the commissioner under this  
 109.7 paragraph may appeal within 30 days of the date the written notice of the denial is received.  
 109.8 The commissioner must set a hearing date that is not later than 60 days after service of the  
 109.9 response, unless a later date is set with the consent of the denied applicant.

109.10 (g) The initial license term begins on the day the application is approved. The license  
 109.11 expires on December 31 of the year in which the license term began, unless the initial license  
 109.12 date is between November 1 and December 31, in which case the initial license term runs  
 109.13 through December 31 of the following year. If a license is approved between November 1  
 109.14 and December 31, the applicant is subject to the renewal fee under section 53B.31, paragraph  
 109.15 (a).

109.16 **Sec. 27. [53B.41] LICENSE RENEWAL.**

109.17 (a) A license under this chapter must be renewed annually. An annual renewal fee of  
 109.18 \$2,500 must be paid no more than 60 days before the license expires. The renewal term is  
 109.19 a period of one year and begins on January 1 each year after the initial license term. The  
 109.20 renewal term expires on December 31 of the year the renewal term begins.

109.21 (b) A licensee must submit a renewal report with the renewal fee, in a form and in a  
 109.22 medium prescribed by the commissioner. The renewal report must state or contain a  
 109.23 description of each material change in information submitted by the licensee in the licensee's  
 109.24 original license application that has not been previously reported to the commissioner.

109.25 (c) The commissioner may grant an extension of the renewal date for good cause.

109.26 (d) The commissioner is authorized to use the NMLS to process license renewals,  
 109.27 provided that the NMLS functionality is consistent with this section.

109.28 **Sec. 28. [53B.42] MAINTENANCE OF LICENSE.**

109.29 (a) If a licensee does not continue to meet the qualifications or satisfy the requirements  
 109.30 that apply to an applicant for a new money transmission license, the commissioner may  
 109.31 suspend or revoke the licensee's license in accordance with the procedures established by  
 109.32 this chapter or other applicable state law for license suspension or revocation.



63.24 (b) An applicant for a money transmission license must demonstrate that the applicant  
 63.25 meets or will meet, and a money transmission licensee must at all times meet, the  
 63.26 requirements in sections 53B.59 to 53B.61.

63.27 **Sec. 17. [53B.43] ACQUISITION OF CONTROL.**

63.28 (a) Any person, or group of persons acting in concert, seeking to acquire control of a  
 63.29 licensee must obtain the commissioner's written approval before acquiring control. An  
 63.30 individual is not deemed to acquire control of a licensee and is not subject to these acquisition  
 64.1 of control provisions when that individual becomes a key individual in the ordinary course  
 64.2 of business.

64.3 (b) For the purpose of this section, a person is presumed to exercise a controlling influence  
 64.4 when the person holds the power to vote, directly or indirectly, at least ten percent of the  
 64.5 outstanding voting shares or voting interests of a licensee or person in control of a licensee.  
 64.6 A person presumed to exercise a controlling influence as defined by this subdivision can  
 64.7 rebut the presumption of control if the person is a passive investor.

64.8 (c) For purposes of determining the percentage of a person controlled by any other  
 64.9 person, the person's interest must be aggregated with the interest of any other immediate  
 64.10 family member, including the person's spouse, parents, children, siblings, mothers- and  
 64.11 fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other person  
 64.12 who shares the person's home.

64.13 (d) A person, or group of persons acting in concert, seeking to acquire control of a  
 64.14 licensee must, in cooperation with the licensee:

64.15 (1) submit an application in a form and in a medium prescribed by the commissioner;  
 64.16 and

64.17 (2) submit a nonrefundable fee of \$4,000 with the request for approval.

64.18 (e) Upon request, the commissioner may permit a licensee or the person, or group of  
 64.19 persons acting in concert, to submit some or all information required by the commissioner  
 64.20 pursuant to paragraph (d), clause (1), without using NMLS.

64.21 (f) The application required by paragraph (d), clause (1), must include information  
 64.22 required by section 53B.39 for any new key individuals that have not previously completed  
 64.23 the requirements of section 53B.39 for a licensee.

64.24 (g) When an application for acquisition of control under this section appears to include  
 64.25 all of the items and address all of the matters that are required, the application is considered  
 64.26 complete and the commissioner must promptly notify the applicant in a record of the date  
 64.27 on which the application was determined to be complete.

64.28 (h) The commissioner must approve or deny the application within 60 days after the  
 64.29 completion date. If the application is not approved or denied within 60 days after the  
 64.30 completion date, the application is approved and the person, or group of persons acting in

110.1 (b) An applicant for a money transmission license must demonstrate that the applicant  
 110.2 meets or will meet, and a money transmission licensee must at all times meet, the  
 110.3 requirements in sections 53B.59 to 53B.61.

110.4 **Sec. 29. [53B.43] ACQUISITION OF CONTROL.**

110.5 (a) Any person, or group of persons acting in concert, seeking to acquire control of a  
 110.6 licensee must obtain the commissioner's written approval before acquiring control. An  
 110.7 individual is not deemed to acquire control of a licensee and is not subject to these acquisition  
 110.8 of control provisions when that individual becomes a key individual in the ordinary course  
 110.9 of business.

110.10 (b) For the purpose of this section, a person is presumed to exercise a controlling influence  
 110.11 when the person holds the power to vote, directly or indirectly, at least ten percent of the  
 110.12 outstanding voting shares or voting interests of a licensee or person in control of a licensee.  
 110.13 A person presumed to exercise a controlling influence as defined by this subdivision can  
 110.14 rebut the presumption of control if the person is a passive investor.

110.15 (c) For purposes of determining the percentage of a person controlled by any other  
 110.16 person, the person's interest must be aggregated with the interest of any other immediate  
 110.17 family member, including the person's spouse, parents, children, siblings, mothers- and  
 110.18 fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other person  
 110.19 who shares the person's home.

110.20 (d) A person, or group of persons acting in concert, seeking to acquire control of a  
 110.21 licensee must, in cooperation with the licensee:

110.22 (1) submit an application in a form and in a medium prescribed by the commissioner;  
 110.23 and

110.24 (2) submit a nonrefundable fee of \$4,000 with the request for approval.

110.25 (e) Upon request, the commissioner may permit a licensee or the person, or group of  
 110.26 persons acting in concert, to submit some or all information required by the commissioner  
 110.27 pursuant to paragraph (d), clause (1), without using NMLS.

110.28 (f) The application required by paragraph (d), clause (1), must include information  
 110.29 required by section 53B.39 for any new key individuals that have not previously completed  
 110.30 the requirements of section 53B.39 for a licensee.

110.31 (g) When an application for acquisition of control under this section appears to include  
 110.32 all of the items and address all of the matters that are required, the application is considered  
 111.1 complete and the commissioner must promptly notify the applicant in a record of the date  
 111.2 on which the application was determined to be complete.

111.3 (h) The commissioner must approve or deny the application within 60 days after the  
 111.4 completion date. If the application is not approved or denied within 60 days after the  
 111.5 completion date, the application is approved and the person, or group of persons acting in

64.31 concert, are not prohibited from acquiring control. The commissioner may extend the  
64.32 application period for good cause.

65.1 (i) The commissioner's determination that an application is complete and is accepted for  
65.2 processing means only that the application, on the application's face, appears to include all  
65.3 of the items and address all of the matters that are required. The commissioner's determination  
65.4 that an application is complete is not an assessment of the application's substance or of the  
65.5 sufficiency of the information provided.

65.6 (j) When an application is filed and considered complete under paragraph (g), the  
65.7 commissioner must investigate the financial condition and responsibility; the financial and  
65.8 business experience; character; and the general fitness of the person, or group of persons  
65.9 acting in concert, seeking to acquire control. The commissioner must approve an acquisition  
65.10 of control under this section if the commissioner finds:

65.11 (1) the requirements of paragraphs (d) and (f) have been met, as applicable; and

65.12 (2) the financial condition and responsibility, financial and business experience,  
65.13 competence, character, and general fitness of the person, or group of persons acting in  
65.14 concert, seeking to acquire control; and the competence, experience, character, and general  
65.15 fitness of the key individuals and persons that control the licensee after the acquisition of  
65.16 control indicate that it is in the interest of the public to permit the person, or group of persons  
65.17 acting in concert, to control the licensee.

65.18 (k) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

65.19 (1) the commissioner is authorized to accept the investigation results of a lead  
65.20 investigative state for the purposes of paragraph (j); or

65.21 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
65.22 the applicant under paragraph (j) and consistent with the time frames established by  
65.23 agreement through the multistate licensing process.

65.24 (l) The commissioner must issue a formal written notice of the denial of an application  
65.25 to acquire control. The commissioner must set forth in the notice of denial the specific  
65.26 reasons the application was denied. An applicant whose application is denied by the  
65.27 commissioner under this paragraph may appeal the denial within 30 days of the date the  
65.28 written notice of the denial is received. Chapter 14 applies to appeals under this paragraph.

65.29 (m) Paragraphs (a) and (d) do not apply to:

65.30 (1) a person that acts as a proxy for the sole purpose of voting at a designated meeting  
65.31 of the shareholders or holders of voting shares or voting interests of a licensee or a person  
65.32 in control of a licensee;

65.33 (2) a person that acquires control of a licensee by devise or descent;

111.6 concert, are not prohibited from acquiring control. The commissioner may extend the  
111.7 application period for good cause.

111.8 (i) The commissioner's determination that an application is complete and is accepted for  
111.9 processing means only that the application, on the application's face, appears to include all  
111.10 of the items and address all of the matters that are required. The commissioner's determination  
111.11 that an application is complete is not an assessment of the application's substance or of the  
111.12 sufficiency of the information provided.

111.13 (j) When an application is filed and considered complete under paragraph (g), the  
111.14 commissioner must investigate the financial condition and responsibility; the financial and  
111.15 business experience; character; and the general fitness of the person, or group of persons  
111.16 acting in concert, seeking to acquire control. The commissioner must approve an acquisition  
111.17 of control under this section if the commissioner finds:

111.18 (1) the requirements of paragraphs (d) and (f) have been met, as applicable; and

111.19 (2) the financial condition and responsibility, financial and business experience,  
111.20 competence, character, and general fitness of the person, or group of persons acting in  
111.21 concert, seeking to acquire control; and the competence, experience, character, and general  
111.22 fitness of the key individuals and persons that control the licensee after the acquisition of  
111.23 control indicate that it is in the interest of the public to permit the person, or group of persons  
111.24 acting in concert, to control the licensee.

111.25 (k) If an applicant avails itself of or is otherwise subject to a multistate licensing process:

111.26 (1) the commissioner is authorized to accept the investigation results of a lead  
111.27 investigative state for the purposes of paragraph (j); or

111.28 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
111.29 the applicant under paragraph (j) and consistent with the time frames established by  
111.30 agreement through the multistate licensing process.

111.31 (l) The commissioner must issue a formal written notice of the denial of an application  
111.32 to acquire control. The commissioner must set forth in the notice of denial the specific  
111.33 reasons the application was denied. An applicant whose application is denied by the  
112.1 commissioner under this paragraph may appeal the denial within 30 days of the date the  
112.2 written notice of the denial is received. Chapter 14 applies to appeals under this paragraph.

112.3 (m) Paragraphs (a) and (d) do not apply to:

112.4 (1) a person that acts as a proxy for the sole purpose of voting at a designated meeting  
112.5 of the shareholders or holders of voting shares or voting interests of a licensee or a person  
112.6 in control of a licensee;

112.7 (2) a person that acquires control of a licensee by devise or descent;

66.1 (3) a person that acquires control of a licensee as a personal representative, custodian,  
66.2 guardian, conservator, or trustee, or as an officer appointed by a court of competent  
66.3 jurisdiction or by operation of law;

66.4 (4) a person that is exempt under section 53B.29, clause (7);

66.5 (5) a person that the commissioner determines is not subject to paragraph (a), based on  
66.6 the public interest;

66.7 (6) a public offering of securities of a licensee or a person in control of a licensee; or

66.8 (7) an internal reorganization of a person controlling the licensee, where the ultimate  
66.9 person controlling the licensee remains the same.

66.10 (n) A person identified in paragraph (m), clause (2), (3), (4), or (6), that is cooperating  
66.11 with the licensee must notify the commissioner within 15 days of the date the acquisition  
66.12 of control occurs.

66.13 (o) Paragraphs (a) and (d) do not apply to a person that has complied with and received  
66.14 approval to engage in money transmission under this chapter, or that was identified as a  
66.15 person in control in a prior application filed with and approved by the commissioner or by  
66.16 another state pursuant to a multistate licensing process, provided that:

66.17 (1) the person has not had a license revoked or suspended or controlled a licensee that  
66.18 has had a license revoked or suspended while the person was in control of the licensee in  
66.19 the previous five years;

66.20 (2) if the person is a licensee, the person is well managed and has received at least a  
66.21 satisfactory rating for compliance at the person's most recent examination by an  
66.22 MSB-accredited state if a rating was given;

66.23 (3) the licensee to be acquired is projected to meet the requirements of sections 53B.59  
66.24 to 53B.61 after the acquisition of control is completed, and if the person acquiring control  
66.25 is a licensee, the acquiring licensee is also projected to meet the requirements of sections  
66.26 53B.59 to 53B.61 after the acquisition of control is completed;

66.27 (4) the licensee to be acquired does not implement any material changes to the acquired  
66.28 licensee's business plan as a result of the acquisition of control, and if the person acquiring  
66.29 control is a licensee, the acquiring licensee does not implement any material changes to the  
66.30 acquiring licensee's business plan as a result of the acquisition of control; and

66.31 (5) the person provides notice of the acquisition in cooperation with the licensee and  
66.32 attests to clauses (1), (2), (3), and (4) in a form and in a medium prescribed by the  
66.33 commissioner.

66.34 (p) If the notice under paragraph (o), clause (5), is not disapproved within 30 days after  
66.35 the date on which the notice was determined to be complete, the notice is deemed approved.

112.8 (3) a person that acquires control of a licensee as a personal representative, custodian,  
112.9 guardian, conservator, or trustee, or as an officer appointed by a court of competent  
112.10 jurisdiction or by operation of law;

112.11 (4) a person that is exempt under section 53B.29, clause (7);

112.12 (5) a person that the commissioner determines is not subject to paragraph (a), based on  
112.13 the public interest;

112.14 (6) a public offering of securities of a licensee or a person in control of a licensee; or

112.15 (7) an internal reorganization of a person controlling the licensee, where the ultimate  
112.16 person controlling the licensee remains the same.

112.17 (n) A person identified in paragraph (m), clause (2), (3), (4), or (6), that is cooperating  
112.18 with the licensee must notify the commissioner within 15 days of the date the acquisition  
112.19 of control occurs.

112.20 (o) Paragraphs (a) and (d) do not apply to a person that has complied with and received  
112.21 approval to engage in money transmission under this chapter, or that was identified as a  
112.22 person in control in a prior application filed with and approved by the commissioner or by  
112.23 another state pursuant to a multistate licensing process, provided that:

112.24 (1) the person has not had a license revoked or suspended or controlled a licensee that  
112.25 has had a license revoked or suspended while the person was in control of the licensee in  
112.26 the previous five years;

112.27 (2) if the person is a licensee, the person is well managed and has received at least a  
112.28 satisfactory rating for compliance at the person's most recent examination by an  
112.29 MSB-accredited state if a rating was given;

112.30 (3) the licensee to be acquired is projected to meet the requirements of sections 53B.59  
112.31 to 53B.61 after the acquisition of control is completed, and if the person acquiring control  
113.1 is a licensee, the acquiring licensee is also projected to meet the requirements of sections  
113.2 53B.59 to 53B.61 after the acquisition of control is completed;

113.3 (4) the licensee to be acquired does not implement any material changes to the acquired  
113.4 licensee's business plan as a result of the acquisition of control, and if the person acquiring  
113.5 control is a licensee, the acquiring licensee does not implement any material changes to the  
113.6 acquiring licensee's business plan as a result of the acquisition of control; and

113.7 (5) the person provides notice of the acquisition in cooperation with the licensee and  
113.8 attests to clauses (1), (2), (3), and (4) in a form and in a medium prescribed by the  
113.9 commissioner.

113.10 (p) If the notice under paragraph (o), clause (5), is not disapproved within 30 days after  
113.11 the date on which the notice was determined to be complete, the notice is deemed approved.

67.6 (q) Before filing an application for approval to acquire control of a licensee, a person  
 67.7 may request in writing a determination from the commissioner as to whether the person  
 67.8 would be considered a person in control of a licensee upon consummation of a proposed  
 67.9 transaction. If the commissioner determines that the person would not be a person in control  
 67.10 of a licensee, the proposed person and transaction is not subject to paragraphs (a) and (d).

67.11 (r) If a multistate licensing process includes a determination pursuant to paragraph (q)  
 67.12 and an applicant avails itself or is otherwise subject to the multistate licensing process:

67.13 (1) the commissioner is authorized to accept the control determination of a lead  
 67.14 investigative state with sufficient staffing, expertise, and minimum standards for the purposes  
 67.15 of paragraph (q); or

67.16 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
 67.17 the applicant under paragraph (q) and consistent with the time frames established by  
 67.18 agreement through the multistate licensing process.

67.19 **Sec. 18. [53B.44] CHANGE OF KEY INDIVIDUALS; NOTICE AND**  
 67.20 **INFORMATION REQUIREMENTS.**

67.21 (a) A licensee that adds or replaces any key individual must:

67.22 (1) provide notice, in a manner prescribed by the commissioner, within 15 days after  
 67.23 the effective date of the key individual's appointment; and

67.24 (2) provide the information required under section 53B.39 within 45 days of the effective  
 67.25 date of the key individual's appointment.

67.26 (b) Within 90 days of the date on which the notice provided under section 53B.44,  
 67.27 paragraph (a), was determined to be complete, the commissioner may issue a notice of  
 67.28 disapproval of a key individual if the commissioner finds that the competence, business  
 67.29 experience, character, or integrity of the individual is not in the best interests of the public  
 67.30 or the customers of the licensee.

67.31 (c) A notice of disapproval must contain a statement of the basis for disapproval and  
 67.32 must be sent to the licensee and the disapproved individual. A licensee may appeal a notice  
 68.1 of disapproval pursuant to chapter 14 within 30 days of the date the notice of disapproval  
 68.2 is received.

68.3 (d) If the notice provided under paragraph (a) is not disapproved within 90 days after  
 68.4 the date on which the notice was determined to be complete, the key individual is deemed  
 68.5 approved.

68.6 (e) If a multistate licensing process includes a key individual notice review and  
 68.7 disapproval process under this section and the licensee avails itself of or is otherwise subject  
 68.8 to the multistate licensing process:

113.12 (q) Before filing an application for approval to acquire control of a licensee, a person  
 113.13 may request in writing a determination from the commissioner as to whether the person  
 113.14 would be considered a person in control of a licensee upon consummation of a proposed  
 113.15 transaction. If the commissioner determines that the person would not be a person in control  
 113.16 of a licensee, the proposed person and transaction is not subject to paragraphs (a) and (d).

113.17 (r) If a multistate licensing process includes a determination pursuant to paragraph (q)  
 113.18 and an applicant avails itself or is otherwise subject to the multistate licensing process:

113.19 (1) the commissioner is authorized to accept the control determination of a lead  
 113.20 investigative state with sufficient staffing, expertise, and minimum standards for the purposes  
 113.21 of paragraph (q); or

113.22 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
 113.23 the applicant under paragraph (q) and consistent with the time frames established by  
 113.24 agreement through the multistate licensing process.

113.25 **Sec. 30. [53B.44] CHANGE OF KEY INDIVIDUALS; NOTICE AND**  
 113.26 **INFORMATION REQUIREMENTS.**

113.27 (a) A licensee that adds or replaces any key individual must:

113.28 (1) provide notice, in a manner prescribed by the commissioner, within 15 days after  
 113.29 the effective date of the key individual's appointment; and

113.30 (2) provide the information required under section 53B.39 within 45 days of the effective  
 113.31 date of the key individual's appointment.

114.1 (b) Within 90 days of the date on which the notice provided under section 53B.44,  
 114.2 paragraph (a), was determined to be complete, the commissioner may issue a notice of  
 114.3 disapproval of a key individual if the commissioner finds that the competence, business  
 114.4 experience, character, or integrity of the individual is not in the best interests of the public  
 114.5 or the customers of the licensee.

114.6 (c) A notice of disapproval must contain a statement of the basis for disapproval and  
 114.7 must be sent to the licensee and the disapproved individual. A licensee may appeal a notice  
 114.8 of disapproval pursuant to chapter 14 within 30 days of the date the notice of disapproval  
 114.9 is received.

114.10 (d) If the notice provided under paragraph (a) is not disapproved within 90 days after  
 114.11 the date on which the notice was determined to be complete, the key individual is deemed  
 114.12 approved.

114.13 (e) If a multistate licensing process includes a key individual notice review and  
 114.14 disapproval process under this section and the licensee avails itself of or is otherwise subject  
 114.15 to the multistate licensing process:

68.9 (1) the commissioner is authorized to accept the determination of another state if the  
 68.10 investigating state has sufficient staffing, expertise, and minimum standards for the purposes  
 68.11 of this section; or

68.12 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
 68.13 the applicant under paragraph (b) and the time frames established by agreement through  
 68.14 the multistate licensing process.

68.15 Sec. 19. **[53B.45] REPORT OF CONDITION.**

68.16 (a) Each licensee must submit a report of condition within 45 days of the end of the  
 68.17 calendar quarter, or within any extended time the commissioner prescribes.

68.18 (b) The report of condition must include:

68.19 (1) financial information at the licensee level;

68.20 (2) nationwide and state-specific money transmission transaction information in every  
 68.21 jurisdiction in the United States where the licensee is licensed to engage in money  
 68.22 transmission;

68.23 (3) a permissible investments report;

68.24 (4) transaction destination country reporting for money received for transmission, if  
 68.25 applicable; and

68.26 (5) any other information the commissioner reasonably requires with respect to the  
 68.27 licensee.

68.28 (c) The commissioner is authorized to use NMLS to submit the report required under  
 68.29 paragraph (a).

68.30 (d) The information required by paragraph (b), clause (4), must only be included in a  
 68.31 report of condition submitted within 45 days of the end of the fourth calendar quarter.

69.1 Sec. 20. **[53B.46] AUDITED FINANCIAL STATEMENTS.**

69.2 (a) Each licensee must, within 90 days after the end of each fiscal year, or within any  
 69.3 extended time the commissioner prescribes, file with the commissioner:

69.4 (1) an audited financial statement of the licensee for the fiscal year prepared in accordance  
 69.5 with United States generally accepted accounting principles; and

69.6 (2) any other information the commissioner may reasonably require.

69.7 (b) The audited financial statements must be prepared by an independent certified public  
 69.8 accountant or independent public accountant who is satisfactory to the commissioner.

69.9 (c) The audited financial statements must include or be accompanied by a certificate of  
 69.10 opinion prepared by the independent certified public accountant or independent public  
 69.11 accountant that is satisfactory in form and content to the commissioner. If the certificate or

114.16 (1) the commissioner is authorized to accept the determination of another state if the  
 114.17 investigating state has sufficient staffing, expertise, and minimum standards for the purposes  
 114.18 of this section; or

114.19 (2) if Minnesota is a lead investigative state, the commissioner is authorized to investigate  
 114.20 the applicant under paragraph (b) and the time frames established by agreement through  
 114.21 the multistate licensing process.

114.22 Sec. 31. **[53B.45] REPORT OF CONDITION.**

114.23 (a) Each licensee must submit a report of condition within 45 days of the end of the  
 114.24 calendar quarter, or within any extended time the commissioner prescribes.

114.25 (b) The report of condition must include:

114.26 (1) financial information at the licensee level;

114.27 (2) nationwide and state-specific money transmission transaction information in every  
 114.28 jurisdiction in the United States where the licensee is licensed to engage in money  
 114.29 transmission;

114.30 (3) a permissible investments report;

114.31 (4) transaction destination country reporting for money received for transmission, if  
 114.32 applicable; and

115.1 (5) any other information the commissioner reasonably requires with respect to the  
 115.2 licensee.

115.3 (c) The commissioner is authorized to use NMLS to submit the report required under  
 115.4 paragraph (a).

115.5 (d) The information required by paragraph (b), clause (4), must only be included in a  
 115.6 report of condition submitted within 45 days of the end of the fourth calendar quarter.

115.7 Sec. 32. **[53B.46] AUDITED FINANCIAL STATEMENTS.**

115.8 (a) Each licensee must, within 90 days after the end of each fiscal year, or within any  
 115.9 extended time the commissioner prescribes, file with the commissioner:

115.10 (1) an audited financial statement of the licensee for the fiscal year prepared in accordance  
 115.11 with United States generally accepted accounting principles; and

115.12 (2) any other information the commissioner may reasonably require.

115.13 (b) The audited financial statements must be prepared by an independent certified public  
 115.14 accountant or independent public accountant who is satisfactory to the commissioner.

115.15 (c) The audited financial statements must include or be accompanied by a certificate of  
 115.16 opinion prepared by the independent certified public accountant or independent public  
 115.17 accountant that is satisfactory in form and content to the commissioner. If the certificate or

69.12 opinion is qualified, the commissioner may order the licensee to take any action the  
 69.13 commissioner finds necessary to enable the independent or certified public accountant or  
 69.14 independent public accountant to remove the qualification.

69.15 Sec. 21. **[53B.47] AUTHORIZED DELEGATE REPORTING.**

69.16 (a) Each licensee must submit a report of authorized delegates within 45 days of the end  
 69.17 of the calendar quarter. The commissioner is authorized to use NMLS to submit the report  
 69.18 required by this paragraph, provided that the functionality is consistent with the requirements  
 69.19 of this section.

69.20 (b) The authorized delegate report must include, at a minimum, each authorized delegate's:

69.21 (1) company legal name;

69.22 (2) taxpayer employer identification number;

69.23 (3) principal provider identifier;

69.24 (4) physical address;

69.25 (5) mailing address;

69.26 (6) any business conducted in other states;

69.27 (7) any fictitious or trade name;

69.28 (8) contact person name, telephone number, and email;

69.29 (9) start date as the licensee's authorized delegate;

69.30 (10) end date acting as the licensee's authorized delegate, if applicable;

70.1 (11) court orders under section 53B.53; and

70.2 (12) any other information the commissioner reasonably requires with respect to the  
 70.3 authorized delegate.

70.4 Sec. 22. **[53B.48] REPORTS OF CERTAIN EVENTS.**

70.5 (a) A licensee must file a report with the commissioner within ten business days after  
 70.6 the licensee has reason to know any of the following events has occurred:

70.7 (1) a petition by or against the licensee under the United States Bankruptcy Code, United  
 70.8 States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for  
 70.9 bankruptcy or reorganization has been filed;

70.10 (2) a petition by or against the licensee for receivership, the commencement of any other  
 70.11 judicial or administrative proceeding for the licensee's dissolution or reorganization, or the  
 70.12 making of a general assignment for the benefit of the licensee's creditors has been filed; or

115.18 opinion is qualified, the commissioner may order the licensee to take any action the  
 115.19 commissioner finds necessary to enable the independent or certified public accountant or  
 115.20 independent public accountant to remove the qualification.

115.21 Sec. 33. **[53B.47] AUTHORIZED DELEGATE REPORTING.**

115.22 (a) Each licensee must submit a report of authorized delegates within 45 days of the end  
 115.23 of the calendar quarter. The commissioner is authorized to use NMLS to submit the report  
 115.24 required by this paragraph, provided that the functionality is consistent with the requirements  
 115.25 of this section.

115.26 (b) The authorized delegate report must include, at a minimum, each authorized delegate's:

115.27 (1) company legal name;

115.28 (2) taxpayer employer identification number;

115.29 (3) principal provider identifier;

115.30 (4) physical address;

116.1 (5) mailing address;

116.2 (6) any business conducted in other states;

116.3 (7) any fictitious or trade name;

116.4 (8) contact person name, telephone number, and email;

116.5 (9) start date as the licensee's authorized delegate;

116.6 (10) end date acting as the licensee's authorized delegate, if applicable;

116.7 (11) court orders under section 53B.53; and

116.8 (12) any other information the commissioner reasonably requires with respect to the  
 116.9 authorized delegate.

116.10 Sec. 34. **[53B.48] REPORTS OF CERTAIN EVENTS.**

116.11 (a) A licensee must file a report with the commissioner within ten business days after  
 116.12 the licensee has reason to know any of the following events has occurred:

116.13 (1) a petition by or against the licensee under the United States Bankruptcy Code, United  
 116.14 States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for  
 116.15 bankruptcy or reorganization has been filed;

116.16 (2) a petition by or against the licensee for receivership, the commencement of any other  
 116.17 judicial or administrative proceeding for the licensee's dissolution or reorganization, or the  
 116.18 making of a general assignment for the benefit of the licensee's creditors has been filed; or

70.13 (3) a proceeding to revoke or suspend the licensee's license in a state or country in which  
70.14 the licensee engages in business or is licensed has been commenced.

70.15 (b) A licensee must file a report with the commissioner within ten business days after  
70.16 the licensee has reason to know any of the following events has occurred:

70.17 (1) the licensee or a key individual or person in control of the licensee is charged with  
70.18 or convicted of a felony related to money transmission activities; or

70.19 (2) an authorized delegate is charged with or convicted of a felony related to money  
70.20 transmission activities.

70.21 **Sec. 23. [53B.49] BANK SECRECY ACT REPORTS.**

70.22 A licensee and an authorized delegate must file all reports required by federal currency  
70.23 reporting, record keeping, and suspicious activity reporting requirements as set forth in the  
70.24 Bank Secrecy Act and other federal and state laws pertaining to money laundering. A licensee  
70.25 and authorized delegate that timely files with the appropriate federal agency a complete and  
70.26 accurate report required under this section is deemed to comply with the requirements of  
70.27 this section.

70.28 **Sec. 24. [53B.50] RECORDS.**

70.29 (a) A licensee must maintain the following records, for purposes of determining the  
70.30 licensee's compliance with this chapter, for at least three years:

71.1 (1) a record of each outstanding money transmission obligation sold;

71.2 (2) a general ledger posted at least monthly containing all asset, liability, capital, income,  
71.3 and expense accounts;

71.4 (3) bank statements and bank reconciliation records;

71.5 (4) records of outstanding money transmission obligations;

71.6 (5) records of each outstanding money transmission obligation paid within the three-year  
71.7 period;

71.8 (6) a list of the last known names and addresses of all of the licensee's authorized  
71.9 delegates; and

71.10 (7) any other records the commissioner reasonably requires by administrative rule.

71.11 (b) The items specified in paragraph (a) may be maintained in any form of record.

71.12 (c) The records specified in paragraph (a) may be maintained outside of Minnesota if  
71.13 the records are made accessible to the commissioner upon seven business-days' notice that  
71.14 is sent in a record.

116.19 (3) a proceeding to revoke or suspend the licensee's license in a state or country in which  
116.20 the licensee engages in business or is licensed has been commenced.

116.21 (b) A licensee must file a report with the commissioner within ten business days after  
116.22 the licensee has reason to know any of the following events has occurred:

116.23 (1) the licensee or a key individual or person in control of the licensee is charged with  
116.24 or convicted of a felony related to money transmission activities; or

116.25 (2) an authorized delegate is charged with or convicted of a felony related to money  
116.26 transmission activities.

116.27 **Sec. 35. [53B.49] BANK SECRECY ACT REPORTS.**

116.28 A licensee and an authorized delegate must file all reports required by federal currency  
116.29 reporting, record keeping, and suspicious activity reporting requirements as set forth in the  
117.1 Bank Secrecy Act and other federal and state laws pertaining to money laundering. A licensee  
117.2 and authorized delegate that timely files with the appropriate federal agency a complete and  
117.3 accurate report required under this section is deemed to comply with the requirements of  
117.4 this section.

117.5 **Sec. 36. [53B.50] RECORDS.**

117.6 (a) A licensee must maintain the following records, for purposes of determining the  
117.7 licensee's compliance with this chapter, for at least three years:

117.8 (1) a record of each outstanding money transmission obligation sold;

117.9 (2) a general ledger posted at least monthly containing all asset, liability, capital, income,  
117.10 and expense accounts;

117.11 (3) bank statements and bank reconciliation records;

117.12 (4) records of outstanding money transmission obligations;

117.13 (5) records of each outstanding money transmission obligation paid within the three-year  
117.14 period;

117.15 (6) a list of the last known names and addresses of all of the licensee's authorized  
117.16 delegates; and

117.17 (7) any other records the commissioner reasonably requires by administrative rule.

117.18 (b) The items specified in paragraph (a) may be maintained in any form of record.

117.19 (c) The records specified in paragraph (a) may be maintained outside of Minnesota if  
117.20 the records are made accessible to the commissioner upon seven business-days' notice that  
117.21 is sent in a record.

71.15 (d) All records maintained by the licensee as required under paragraphs (a) to (c) are  
71.16 open to inspection by the commissioner under section 53B.33, paragraph (a).

71.17 **Sec. 25. [53B.51] RELATIONSHIP BETWEEN LICENSEE AND AUTHORIZED**  
71.18 **DELEGATE.**

71.19 (a) For purposes of this section, "remit" means to make direct payments of money to (1)  
71.20 a licensee, or (2) a licensee's representative authorized to receive money or to deposit money  
71.21 in a bank in an account specified by the licensee.

71.22 (b) Before a licensee is authorized to conduct business through an authorized delegate  
71.23 or allows a person to act as the licensee's authorized delegate, the licensee must:

71.24 (1) adopt, and update as necessary, written policies and procedures reasonably designed  
71.25 to ensure that the licensee's authorized delegates comply with applicable state and federal  
71.26 law;

71.27 (2) enter into a written contract that complies with paragraph (d); and

71.28 (3) conduct a reasonable risk-based background investigation sufficient for the licensee  
71.29 to determine whether the authorized delegate has complied and will likely comply with  
71.30 applicable state and federal law.

72.1 (c) An authorized delegate must operate in full compliance with this chapter.

72.2 (d) The written contract required by paragraph (b) must be signed by the licensee and  
72.3 the authorized delegate. The written contract must, at a minimum:

72.4 (1) appoint the person signing the contract as the licensee's authorized delegate with the  
72.5 authority to conduct money transmission on behalf of the licensee;

72.6 (2) set forth the nature and scope of the relationship between the licensee and the  
72.7 authorized delegate and the respective rights and responsibilities of the parties;

72.8 (3) require the authorized delegate to agree to fully comply with all applicable state and  
72.9 federal laws, rules, and regulations pertaining to money transmission, including this chapter  
72.10 and regulations implementing this chapter, relevant provisions of the Bank Secrecy Act and  
72.11 the USA PATRIOT Act, Public Law 107-56;

72.12 (4) require the authorized delegate to remit and handle money and monetary value in  
72.13 accordance with the terms of the contract between the licensee and the authorized delegate;

72.14 (5) impose a trust on money and monetary value net of fees received for money  
72.15 transmission for the benefit of the licensee;

72.16 (6) require the authorized delegate to prepare and maintain records as required by this  
72.17 chapter or administrative rules implementing this chapter, or as reasonably requested by  
72.18 the commissioner;

117.22 (d) All records maintained by the licensee as required under paragraphs (a) to (c) are  
117.23 open to inspection by the commissioner under section 53B.33, paragraph (a).

117.24 **Sec. 37. [53B.51] RELATIONSHIP BETWEEN LICENSEE AND AUTHORIZED**  
117.25 **DELEGATE.**

117.26 (a) For purposes of this section, "remit" means to make direct payments of money to (1)  
117.27 a licensee, or (2) a licensee's representative authorized to receive money or to deposit money  
117.28 in a bank in an account specified by the licensee.

117.29 (b) Before a licensee is authorized to conduct business through an authorized delegate  
117.30 or allows a person to act as the licensee's authorized delegate, the licensee must:

118.1 (1) adopt, and update as necessary, written policies and procedures reasonably designed  
118.2 to ensure that the licensee's authorized delegates comply with applicable state and federal  
118.3 law;

118.4 (2) enter into a written contract that complies with paragraph (d); and

118.5 (3) conduct a reasonable risk-based background investigation sufficient for the licensee  
118.6 to determine whether the authorized delegate has complied and will likely comply with  
118.7 applicable state and federal law.

118.8 (c) An authorized delegate must operate in full compliance with this chapter.

118.9 (d) The written contract required by paragraph (b) must be signed by the licensee and  
118.10 the authorized delegate. The written contract must, at a minimum:

118.11 (1) appoint the person signing the contract as the licensee's authorized delegate with the  
118.12 authority to conduct money transmission on behalf of the licensee;

118.13 (2) set forth the nature and scope of the relationship between the licensee and the  
118.14 authorized delegate and the respective rights and responsibilities of the parties;

118.15 (3) require the authorized delegate to agree to fully comply with all applicable state and  
118.16 federal laws, rules, and regulations pertaining to money transmission, including this chapter  
118.17 and regulations implementing this chapter, relevant provisions of the Bank Secrecy Act and  
118.18 the USA PATRIOT Act, Public Law 107-56;

118.19 (4) require the authorized delegate to remit and handle money and monetary value in  
118.20 accordance with the terms of the contract between the licensee and the authorized delegate;

118.21 (5) impose a trust on money and monetary value net of fees received for money  
118.22 transmission for the benefit of the licensee;

118.23 (6) require the authorized delegate to prepare and maintain records as required by this  
118.24 chapter or administrative rules implementing this chapter, or as reasonably requested by  
118.25 the commissioner;



72.19 (7) acknowledge that the authorized delegate consents to examination or investigation  
72.20 by the commissioner;

72.21 (8) state that the licensee is subject to regulation by the commissioner and that as part  
72.22 of that regulation the commissioner may (1) suspend or revoke an authorized delegate  
72.23 designation, or (2) require the licensee to terminate an authorized delegate designation; and

72.24 (9) acknowledge receipt of the written policies and procedures required under paragraph  
72.25 (b), clause (1).

72.26 (e) If the licensee's license is suspended, revoked, surrendered, or expired, within five  
72.27 business days the licensee must provide documentation to the commissioner that the licensee  
72.28 has notified all applicable authorized delegates of the licensee whose names are in a record  
72.29 filed with the commissioner of the suspension, revocation, surrender, or expiration of a  
72.30 license. Upon suspension, revocation, surrender, or expiration of a license, applicable  
72.31 authorized delegates must immediately cease to provide money transmission as an authorized  
72.32 delegate of the licensee.

73.1 (f) An authorized delegate of a licensee holds in trust for the benefit of the licensee all  
73.2 money net of fees received from money transmission. If an authorized delegate commingles  
73.3 any funds received from money transmission with other funds or property owned or  
73.4 controlled by the authorized delegate, all commingled funds and other property are considered  
73.5 held in trust in favor of the licensee in an amount equal to the amount of money net of fees  
73.6 received from money transmission.

73.7 (g) An authorized delegate is prohibited from using a subdelegate to conduct money  
73.8 transmission on behalf of a licensee.

73.9 **Sec. 26. [53B.52] UNAUTHORIZED ACTIVITIES.**

73.10 A person is prohibited from engaging in the business of money transmission on behalf  
73.11 of a person not licensed under this chapter or not exempt under sections 53B.29 and 53B.30.  
73.12 A person that engages in the business of money transmission on behalf of a person that is  
73.13 not licensed under this chapter or not exempt under sections 53B.29 and 53B.30 provides  
73.14 money transmission to the same extent as if the person were a licensee, and is jointly and  
73.15 severally liable with the unlicensed or nonexempt person.

73.16 **Sec. 27. [53B.53] PROHIBITED AUTHORIZED DELEGATES.**

73.17 (a) The district court in an action brought by a licensee has jurisdiction to grant  
73.18 appropriate equitable or legal relief, including without limitation prohibiting the authorized  
73.19 delegate from directly or indirectly acting as an authorized delegate for any licensee in  
73.20 Minnesota and the payment of restitution, damages, or other monetary relief, if the district  
73.21 court finds that an authorized delegate failed to remit money in accordance with the written  
73.22 contract required by section 53B.51, paragraph (b), or as otherwise directed by the licensee  
73.23 or required by law.

118.26 (7) acknowledge that the authorized delegate consents to examination or investigation  
118.27 by the commissioner;

118.28 (8) state that the licensee is subject to regulation by the commissioner and that as part  
118.29 of that regulation the commissioner may (1) suspend or revoke an authorized delegate  
118.30 designation, or (2) require the licensee to terminate an authorized delegate designation; and

118.31 (9) acknowledge receipt of the written policies and procedures required under paragraph  
118.32 (b), clause (1).

119.1 (e) If the licensee's license is suspended, revoked, surrendered, or expired, within five  
119.2 business days the licensee must provide documentation to the commissioner that the licensee  
119.3 has notified all applicable authorized delegates of the licensee whose names are in a record  
119.4 filed with the commissioner of the suspension, revocation, surrender, or expiration of a  
119.5 license. Upon suspension, revocation, surrender, or expiration of a license, applicable  
119.6 authorized delegates must immediately cease to provide money transmission as an authorized  
119.7 delegate of the licensee.

119.8 (f) An authorized delegate of a licensee holds in trust for the benefit of the licensee all  
119.9 money net of fees received from money transmission. If an authorized delegate commingles  
119.10 any funds received from money transmission with other funds or property owned or  
119.11 controlled by the authorized delegate, all commingled funds and other property are considered  
119.12 held in trust in favor of the licensee in an amount equal to the amount of money net of fees  
119.13 received from money transmission.

119.14 (g) An authorized delegate is prohibited from using a subdelegate to conduct money  
119.15 transmission on behalf of a licensee.

119.16 **Sec. 38. [53B.52] UNAUTHORIZED ACTIVITIES.**

119.17 A person is prohibited from engaging in the business of money transmission on behalf  
119.18 of a person not licensed under this chapter or not exempt under sections 53B.29 and 53B.30.  
119.19 A person that engages in the business of money transmission on behalf of a person that is  
119.20 not licensed under this chapter or not exempt under sections 53B.29 and 53B.30 provides  
119.21 money transmission to the same extent as if the person were a licensee, and is jointly and  
119.22 severally liable with the unlicensed or nonexempt person.

119.23 **Sec. 39. [53B.53] PROHIBITED AUTHORIZED DELEGATES.**

119.24 (a) The district court in an action brought by a licensee has jurisdiction to grant  
119.25 appropriate equitable or legal relief, including without limitation prohibiting the authorized  
119.26 delegate from directly or indirectly acting as an authorized delegate for any licensee in  
119.27 Minnesota and the payment of restitution, damages, or other monetary relief, if the district  
119.28 court finds that an authorized delegate failed to remit money in accordance with the written  
119.29 contract required by section 53B.51, paragraph (b), or as otherwise directed by the licensee  
119.30 or required by law.

73.24 (b) If the district court issues an order prohibiting a person from acting as an authorized  
 73.25 delegate for any licensee under paragraph (a), the licensee that brought the action must  
 73.26 report the order to the commissioner within 30 days of the date of the order and must report  
 73.27 the order through NMLS within 90 days of the date of the order.

73.28 **Sec. 28. [53B.54] TIMELY TRANSMISSION.**

73.29 (a) Every licensee must forward all money received for transmission in accordance with  
 73.30 the terms of the agreement between the licensee and the sender, unless the licensee has a  
 73.31 reasonable belief or a reasonable basis to believe that the sender may be a victim of fraud  
 74.1 or that a crime or violation of law, rule, or regulation has occurred, is occurring, or may  
 74.2 occur.

74.3 (b) If a licensee fails to forward money received for transmission as provided under this  
 74.4 section, the licensee must respond to inquiries by the sender with the reason for the failure,  
 74.5 unless providing a response would violate a state or federal law, rule, or regulation.

74.6 **Sec. 29. [53B.55] REFUNDS.**

74.7 (a) This section does not apply to:

74.8 (1) money received for transmission that is subject to the federal remittance rule under  
 74.9 Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from  
 74.10 time to time; or

74.11 (2) money received for transmission pursuant to a written agreement between the licensee  
 74.12 and payee to process payments for goods or services provided by the payee.

74.13 (b) A licensee must refund to the sender within ten days of the date the licensee receives  
 74.14 the sender's written request for a refund of any and all money received for transmission,  
 74.15 unless:

74.16 (1) the money has been forwarded within ten days of the date on which the money was  
 74.17 received for transmission;

74.18 (2) instructions have been given committing an equivalent amount of money to the  
 74.19 person designated by the sender within ten days of the date on which the money was received  
 74.20 for transmission;

74.21 (3) the agreement between the licensee and the sender instructs the licensee to forward  
 74.22 the money at a time that is beyond ten days of the date on which the money was received  
 74.23 for transmission. If money has not been forwarded in accordance with the terms of the  
 74.24 agreement between the licensee and the sender, the licensee must issue a refund in accordance  
 74.25 with the other provisions of this section; or

119.31 (b) If the district court issues an order prohibiting a person from acting as an authorized  
 119.32 delegate for any licensee under paragraph (a), the licensee that brought the action must  
 120.1 report the order to the commissioner within 30 days of the date of the order and must report  
 120.2 the order through NMLS within 90 days of the date of the order.

120.3 **Sec. 40. [53B.54] TIMELY TRANSMISSION.**

120.4 (a) Every licensee must forward all money received for transmission in accordance with  
 120.5 the terms of the agreement between the licensee and the sender, unless the licensee has a  
 120.6 reasonable belief or a reasonable basis to believe that the sender may be a victim of fraud  
 120.7 or that a crime or violation of law, rule, or regulation has occurred, is occurring, or may  
 120.8 occur.

120.9 (b) If a licensee fails to forward money received for transmission as provided under this  
 120.10 section, the licensee must respond to inquiries by the sender with the reason for the failure,  
 120.11 unless providing a response would violate a state or federal law, rule, or regulation.

120.12 **Sec. 41. [53B.55] REFUNDS.**

120.13 (a) This section does not apply to:

120.14 (1) money received for transmission that is subject to the federal remittance rule under  
 120.15 Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from  
 120.16 time to time; or

120.17 (2) money received for transmission pursuant to a written agreement between the licensee  
 120.18 and payee to process payments for goods or services provided by the payee.

120.19 (b) A licensee must refund to the sender within ten days of the date the licensee receives  
 120.20 the sender's written request for a refund of any and all money received for transmission,  
 120.21 unless:

120.22 (1) the money has been forwarded within ten days of the date on which the money was  
 120.23 received for transmission;

120.24 (2) instructions have been given committing an equivalent amount of money to the  
 120.25 person designated by the sender within ten days of the date on which the money was received  
 120.26 for transmission;

120.27 (3) the agreement between the licensee and the sender instructs the licensee to forward  
 120.28 the money at a time that is beyond ten days of the date on which the money was received  
 120.29 for transmission. If money has not been forwarded in accordance with the terms of the  
 120.30 agreement between the licensee and the sender, the licensee must issue a refund in accordance  
 120.31 with the other provisions of this section; or

74.26 (4) the refund is requested for a transaction that the licensee has not completed based  
 74.27 on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rule,  
 74.28 or regulation has occurred, is occurring, or may occur.

74.29 (c) A refund request does not enable the licensee to identify:

74.30 (1) the sender's name and address or telephone number; or

75.1 (2) the particular transaction to be refunded in the event the sender has multiple  
 75.2 transactions outstanding.

75.3 Sec. 30. **[53B.56] RECEIPTS.**

75.4 Subdivision 1. **Definition.** For purposes of this section, "receipt" means a paper receipt,  
 75.5 electronic record, or other written confirmation.

75.6 Subd. 2. **Exemption.** This section does not apply to:

75.7 (1) money received for transmission that is subject to the federal remittance rule under  
 75.8 Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from  
 75.9 time to time;

75.10 (2) money received for transmission that is not primarily for personal, family, or  
 75.11 household purposes;

75.12 (3) money received for transmission pursuant to a written agreement between the licensee  
 75.13 and payee to process payments for goods or services provided by the payee; or

75.14 (4) payroll processing services.

75.15 Subd. 3. **Transaction types; receipts form.** For a transaction conducted in person, the  
 75.16 receipt may be provided electronically if the sender requests or agrees to receive an electronic  
 75.17 receipt. For a transaction conducted electronically or by telephone, a receipt may be provided  
 75.18 electronically. All electronic receipts must be provided in a retainable form.

75.19 Subd. 4. **Receipts required.** (a) Every licensee or the licensee's authorized delegate  
 75.20 must provide the sender a receipt for money received for transmission.

75.21 (b) The receipt must contain, as applicable:

75.22 (1) the name of the sender;

75.23 (2) the name of the designated recipient;

75.24 (3) the date of the transaction;

75.25 (4) the unique transaction or identification number;

75.26 (5) the name of the licensee, NMLS Unique ID, the licensee's business address, and the  
 75.27 licensee's customer service telephone number;

121.1 (4) the refund is requested for a transaction that the licensee has not completed based  
 121.2 on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rule,  
 121.3 or regulation has occurred, is occurring, or may occur.

121.4 (c) A refund request does not enable the licensee to identify:

121.5 (1) the sender's name and address or telephone number; or

121.6 (2) the particular transaction to be refunded in the event the sender has multiple  
 121.7 transactions outstanding.

121.8 Sec. 42. **[53B.56] RECEIPTS.**

121.9 Subdivision 1. **Definition.** For purposes of this section, "receipt" means a paper receipt,  
 121.10 electronic record, or other written confirmation.

121.11 Subd. 2. **Exemption.** This section does not apply to:

121.12 (1) money received for transmission that is subject to the federal remittance rule under  
 121.13 Code of Federal Regulations, title 12, part 1005, subpart B, as amended or recodified from  
 121.14 time to time;

121.15 (2) money received for transmission that is not primarily for personal, family, or  
 121.16 household purposes;

121.17 (3) money received for transmission pursuant to a written agreement between the licensee  
 121.18 and payee to process payments for goods or services provided by the payee; or

121.19 (4) payroll processing services.

121.20 Subd. 3. **Transaction types; receipts form.** For a transaction conducted in person, the  
 121.21 receipt may be provided electronically if the sender requests or agrees to receive an electronic  
 121.22 receipt. For a transaction conducted electronically or by telephone, a receipt may be provided  
 121.23 electronically. All electronic receipts must be provided in a retainable form.

121.24 Subd. 4. **Receipts required.** (a) Every licensee or the licensee's authorized delegate  
 121.25 must provide the sender a receipt for money received for transmission.

121.26 (b) The receipt must contain, as applicable:

121.27 (1) the name of the sender;

121.28 (2) the name of the designated recipient;

121.29 (3) the date of the transaction;

121.30 (4) the unique transaction or identification number;

122.1 (5) the name of the licensee, NMLS Unique ID, the licensee's business address, and the  
 122.2 licensee's customer service telephone number;

75.28 (6) the transaction amount, expressed in United States dollars;  
 75.29 (7) any fee the licensee charges the sender for the transaction; and  
 75.30 (8) any taxes the licensee collects from the sender for the transaction.

76.1 (c) The receipt required by this section must be provided in (1) English, and (2) the  
 76.2 language principally used by the licensee or authorized delegate to advertise, solicit, or  
 76.3 negotiate, either orally or in writing, for a transaction conducted in person, electronically,  
 76.4 or by telephone, if the language principally used is a language other than English.

76.5 **Sec. 31. [53B.57] NOTICE.**

76.6 Every licensee or authorized delegate must include on a receipt or disclose on the  
 76.7 licensee's website or mobile application the name and telephone number of the department  
 76.8 and a statement that the licensee's customers can contact the department with questions or  
 76.9 complaints about the licensee's money transmission services.

76.10 **Sec. 32. [53B.58] PAYROLL PROCESSING SERVICES; DISCLOSURES.**

76.11 (a) A licensee that provides payroll processing services must:

76.12 (1) issue reports to clients detailing client payroll obligations in advance of the payroll  
 76.13 funds being deducted from an account; and

76.14 (2) make available worker pay stubs or an equivalent statement to workers.

76.15 (b) Paragraph (a) does not apply to a licensee providing payroll processing services if  
 76.16 the licensee's client designates the intended recipients to the licensee and is responsible for  
 76.17 providing the disclosures required by paragraph (a), clause (2).

76.18 **Sec. 33. [53B.59] NET WORTH.**

76.19 (a) A licensee under this chapter must maintain at all times a tangible net worth that is  
 76.20 the greater of: (1) \$100,000; or (2) three percent of total assets for the first \$100,000,000;  
 76.21 two percent of additional assets between \$100,000,000 to \$1,000,000,000; and one-half  
 76.22 percent of additional assets over \$1,000,000,000.

76.23 (b) Tangible net worth must be demonstrated in the initial application by the applicant's  
 76.24 most recent audited or unaudited financial statements under section 53B.38, paragraph (b),  
 76.25 clause (6).

76.26 (c) Notwithstanding paragraphs (a) and (b), the commissioner has the authority, for good  
 76.27 cause shown, to exempt any applicant or licensee in-part or in whole from the requirements  
 76.28 of this section.

77.1 **Sec. 34. [53B.60] SURETY BOND.**

77.2 (a) An applicant for a money transmission license must provide, and a licensee must at  
 77.3 all times maintain (1) security consisting of a surety bond in a form satisfactory to the

122.3 (6) the transaction amount, expressed in United States dollars;  
 122.4 (7) any fee the licensee charges the sender for the transaction; and  
 122.5 (8) any taxes the licensee collects from the sender for the transaction.

122.6 (c) The receipt required by this section must be provided in (1) English, and (2) the  
 122.7 language principally used by the licensee or authorized delegate to advertise, solicit, or  
 122.8 negotiate, either orally or in writing, for a transaction conducted in person, electronically,  
 122.9 or by telephone, if the language principally used is a language other than English.

122.10 **Sec. 43. [53B.57] NOTICE.**

122.11 Every licensee or authorized delegate must include on a receipt or disclose on the  
 122.12 licensee's website or mobile application the name and telephone number of the department  
 122.13 and a statement that the licensee's customers can contact the department with questions or  
 122.14 complaints about the licensee's money transmission services.

122.15 **Sec. 44. [53B.58] PAYROLL PROCESSING SERVICES; DISCLOSURES.**

122.16 (a) A licensee that provides payroll processing services must:

122.17 (1) issue reports to clients detailing client payroll obligations in advance of the payroll  
 122.18 funds being deducted from an account; and

122.19 (2) make available worker pay stubs or an equivalent statement to workers.

122.20 (b) Paragraph (a) does not apply to a licensee providing payroll processing services if  
 122.21 the licensee's client designates the intended recipients to the licensee and is responsible for  
 122.22 providing the disclosures required by paragraph (a), clause (2).

122.23 **Sec. 45. [53B.59] NET WORTH.**

122.24 (a) A licensee under this chapter must maintain at all times a tangible net worth that is  
 122.25 the greater of: (1) \$100,000; or (2) three percent of total assets for the first \$100,000,000;  
 122.26 two percent of additional assets between \$100,000,000 to \$1,000,000,000; and one-half  
 122.27 percent of additional assets over \$1,000,000,000.

122.28 (b) Tangible net worth must be demonstrated in the initial application by the applicant's  
 122.29 most recent audited or unaudited financial statements under section 53B.38, paragraph (b),  
 122.30 clause (6).

123.1 (c) Notwithstanding paragraphs (a) and (b), the commissioner has the authority, for good  
 123.2 cause shown, to exempt any applicant or licensee in-part or in whole from the requirements  
 123.3 of this section.

123.4 **Sec. 46. [53B.60] SURETY BOND.**

123.5 (a) An applicant for a money transmission license must provide and a licensee must at  
 123.6 all times maintain (1) security consisting of a surety bond in a form satisfactory to the

77.4 commissioner, or (2) with the commissioner's approval, a deposit instead of a bond in  
 77.5 accordance with this section.

77.6 (b) The amount of the required security under this section is:

77.7 (1) the greater of (i) \$100,000, or (ii) an amount equal to one hundred percent of the  
 77.8 licensee's average daily money transmission liability in Minnesota, calculated for the most  
 77.9 recently completed three-month period, up to a maximum of \$500,000; or

77.10 (2) in the event that the licensee's tangible net worth exceeds ten percent of total assets,  
 77.11 the licensee must maintain a surety bond of \$100,000.

77.12 (c) A licensee that maintains a bond in the maximum amount provided for in paragraph  
 77.13 (b), clause (1) or (2), as applicable, is not required to calculate the licensee's average daily  
 77.14 money transmission liability in Minnesota for purposes of this section.

77.15 (d) A licensee may exceed the maximum required bond amount pursuant to section  
 77.16 53B.62, paragraph (a), clause (5).

77.17 (e) The security device remains effective until cancellation, which may occur only after  
 77.18 30 days' written notice to the commissioner. Cancellation does not affect the rights of any  
 77.19 claimant for any liability incurred or accrued during the period for which the bond was in  
 77.20 force.

77.21 (f) The security device must remain in place for no longer than five years after the  
 77.22 licensee ceases money transmission operations in Minnesota. Notwithstanding this paragraph,  
 77.23 the commissioner may permit the security device to be reduced or eliminated before that  
 77.24 time to the extent that the amount of the licensee's payment instruments outstanding in  
 77.25 Minnesota are reduced. The commissioner may also permit a licensee to substitute a letter  
 77.26 of credit or other form of security device acceptable to the commissioner for the security  
 77.27 device in place at the time the licensee ceases money transmission operations in Minnesota.

77.28 **Sec. 35. [53B.61] MAINTENANCE OF PERMISSIBLE INVESTMENTS.**

77.29 (a) A licensee must maintain at all times permissible investments that have a market  
 77.30 value computed in accordance with United States generally accepted accounting principles  
 77.31 of not less than the aggregate amount of all of the licensee's outstanding money transmission  
 77.32 obligations.

78.1 (b) Except for permissible investments enumerated in section 53B.62, paragraph (a),  
 78.2 the commissioner may by administrative rule or order, with respect to any licensee, limit  
 78.3 the extent to which a specific investment maintained by a licensee within a class of  
 78.4 permissible investments may be considered a permissible investment, if the specific  
 78.5 investment represents undue risk to customers not reflected in the market value of  
 78.6 investments.

78.7 (c) Permissible investments, even if commingled with other assets of the licensee, are  
 78.8 held in trust for the benefit of the purchasers and holders of the licensee's outstanding money

123.7 commissioner, or (2) with the commissioner's approval, a deposit instead of a bond in  
 123.8 accordance with this section.

123.9 (b) The amount of the required security under this section is:

123.10 (1) the greater of (i) \$100,000, or (ii) an amount equal to one hundred percent of the  
 123.11 licensee's average daily money transmission liability in Minnesota, calculated for the most  
 123.12 recently completed three-month period, up to a maximum of \$500,000; or

123.13 (2) in the event that the licensee's tangible net worth exceeds ten percent of total assets,  
 123.14 the licensee must maintain a surety bond of \$100,000.

123.15 (c) A licensee that maintains a bond in the maximum amount provided for in paragraph  
 123.16 (b), clause (1) or (2), as applicable, is not required to calculate the licensee's average daily  
 123.17 money transmission liability in Minnesota for purposes of this section.

123.18 (d) A licensee may exceed the maximum required bond amount pursuant to section  
 123.19 53B.62, paragraph (a), clause (5).

123.20 (e) The security device remains effective until cancellation, which may occur only after  
 123.21 30 days' written notice to the commissioner. Cancellation does not affect the rights of any  
 123.22 claimant for any liability incurred or accrued during the period for which the bond was in  
 123.23 force.

123.24 (f) The security device must remain in place for no longer than five years after the  
 123.25 licensee ceases money transmission operations in Minnesota. Notwithstanding this paragraph,  
 123.26 the commissioner may permit the security device to be reduced or eliminated before that  
 123.27 time to the extent that the amount of the licensee's payment instruments outstanding in  
 123.28 Minnesota are reduced. The commissioner may also permit a licensee to substitute a letter  
 123.29 of credit or other form of security device acceptable to the commissioner for the security  
 123.30 device in place at the time the licensee ceases money transmission operations in Minnesota.

124.1 **Sec. 47. [53B.61] MAINTENANCE OF PERMISSIBLE INVESTMENTS.**

124.2 (a) A licensee must maintain at all times permissible investments that have a market  
 124.3 value computed in accordance with United States generally accepted accounting principles  
 124.4 of not less than the aggregate amount of all of the licensee's outstanding money transmission  
 124.5 obligations.

124.6 (b) Except for permissible investments enumerated in section 53B.62, paragraph (a),  
 124.7 the commissioner may by administrative rule or order, with respect to any licensee, limit  
 124.8 the extent to which a specific investment maintained by a licensee within a class of  
 124.9 permissible investments may be considered a permissible investment, if the specific  
 124.10 investment represents undue risk to customers not reflected in the market value of  
 124.11 investments.

124.12 (c) Permissible investments, even if commingled with other assets of the licensee, are  
 124.13 held in trust for the benefit of the purchasers and holders of the licensee's outstanding money

78.9 transmission obligations in the event of insolvency; the filing of a petition by or against the  
 78.10 licensee under the United States Bankruptcy Code, United States Code, title 11, sections  
 78.11 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;  
 78.12 the filing of a petition by or against the licensee for receivership; the commencement of any  
 78.13 other judicial or administrative proceeding for the licensee's dissolution or reorganization;  
 78.14 or in the event of an action by a creditor against the licensee who is not a beneficiary of this  
 78.15 statutory trust. No permissible investments impressed with a trust pursuant to this paragraph  
 78.16 are subject to attachment, levy of execution, or sequestration by order of any court, except  
 78.17 for a beneficiary of the statutory trust.

78.18 (d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when  
 78.19 any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause  
 78.20 (4), the commissioner must notify the applicable regulator of each state in which the licensee  
 78.21 is licensed to engage in money transmission, if any, of the establishment of the trust or the  
 78.22 funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed  
 78.23 pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and  
 78.24 any other permissible investments held in trust for the benefit of the purchasers and holders  
 78.25 of the licensee's outstanding money transmission obligations, are deemed held in trust for  
 78.26 the benefit of the purchasers and holders of the licensee's outstanding money transmission  
 78.27 obligations on a pro rata and equitable basis in accordance with statutes pursuant to which  
 78.28 permissible investments are required to be held in Minnesota and other states, as defined  
 78.29 by a substantially similar statute in the other state. Any statutory trust established under this  
 78.30 section terminates upon extinguishment of all of the licensee's outstanding money  
 78.31 transmission obligations.

78.32 (e) The commissioner may by rule or by order allow other types of investments that the  
 78.33 commissioner determines are of sufficient liquidity and quality to be a permissible  
 78.34 investment. The commissioner is authorized to participate in efforts with other state regulators  
 79.1 to determine that other types of investments are of sufficient liquidity and quality to be a  
 79.2 permissible investment.

79.3 **Sec. 36. [53B.62] PERMISSIBLE INVESTMENTS.**

79.4 Subdivision 1. Certain investments permissible. The following investments are  
 79.5 permissible under section 53B.61:

79.6 (1) cash, including demand deposits, savings deposits, and funds in accounts held for  
 79.7 the benefit of the licensee's customers in a federally insured depository financial institution;  
 79.8 and cash equivalents, including ACH items in transit to the licensee and ACH items or  
 79.9 international wires in transit to a payee, cash in transit via armored car, cash in smart safes,  
 79.10 cash in licensee-owned locations, debit card or credit card funded transmission receivables  
 79.11 owed by any bank, or money market mutual funds rated AAA or the equivalent from any  
 79.12 eligible rating service;

79.13 (2) certificates of deposit or senior debt obligations of an insured depository institution,  
 79.14 as defined in section 3 of the Federal Deposit Insurance Act, United States Code, title 12,

124.14 transmission obligations in the event of insolvency; the filing of a petition by or against the  
 124.15 licensee under the United States Bankruptcy Code, United States Code, title 11, sections  
 124.16 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;  
 124.17 the filing of a petition by or against the licensee for receivership; the commencement of any  
 124.18 other judicial or administrative proceeding for the licensee's dissolution or reorganization;  
 124.19 or in the event of an action by a creditor against the licensee who is not a beneficiary of this  
 124.20 statutory trust. No permissible investments impressed with a trust pursuant to this paragraph  
 124.21 are subject to attachment, levy of execution, or sequestration by order of any court, except  
 124.22 for a beneficiary of the statutory trust.

124.23 (d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when  
 124.24 any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause  
 124.25 (4), the commissioner must notify the applicable regulator of each state in which the licensee  
 124.26 is licensed to engage in money transmission, if any, of the establishment of the trust or the  
 124.27 funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed  
 124.28 pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and  
 124.29 any other permissible investments held in trust for the benefit of the purchasers and holders  
 124.30 of the licensee's outstanding money transmission obligations, are deemed held in trust for  
 124.31 the benefit of the purchasers and holders of the licensee's outstanding money transmission  
 124.32 obligations on a pro rata and equitable basis in accordance with statutes pursuant to which  
 124.33 permissible investments are required to be held in Minnesota and other states, as defined  
 124.34 by a substantially similar statute in the other state. Any statutory trust established under this  
 125.1 section terminates upon extinguishment of all of the licensee's outstanding money  
 125.2 transmission obligations.

125.3 (e) The commissioner may by rule or by order allow other types of investments that the  
 125.4 commissioner determines are of sufficient liquidity and quality to be a permissible  
 125.5 investment. The commissioner is authorized to participate in efforts with other state regulators  
 125.6 to determine that other types of investments are of sufficient liquidity and quality to be a  
 125.7 permissible investment.

125.8 **Sec. 48. [53B.62] PERMISSIBLE INVESTMENTS.**

125.9 Subdivision 1. Certain investments permissible. The following investments are  
 125.10 permissible under section 53B.61:

125.11 (1) cash, including demand deposits, savings deposits, and funds in accounts held for  
 125.12 the benefit of the licensee's customers in a federally insured depository financial institution;  
 125.13 and cash equivalents, including ACH items in transit to the licensee and ACH items or  
 125.14 international wires in transit to a payee, cash in transit via armored car, cash in smart safes,  
 125.15 cash in licensee-owned locations, debit card or credit card funded transmission receivables  
 125.16 owed by any bank, or money market mutual funds rated AAA or the equivalent from any  
 125.17 eligible rating service;

125.18 (2) certificates of deposit or senior debt obligations of an insured depository institution,  
 125.19 as defined in section 3 of the Federal Deposit Insurance Act, United States Code, title 12,

79.15 section 1813, as amended or recodified from time to time, or as defined under the federal  
 79.16 Credit Union Act, United States Code, title 12, section 1781, as amended or recodified from  
 79.17 time to time;

79.18 (3) an obligation of the United States or a commission, agency, or instrumentality thereof;  
 79.19 an obligation that is guaranteed fully as to principal and interest by the United States; or an  
 79.20 obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

79.21 (4) the full drawable amount of an irrevocable standby letter of credit, for which the  
 79.22 stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw  
 79.23 a sight draft under the letter of credit and present the sight draft to obtain funds up to the  
 79.24 letter of credit amount within seven days of presentation of the items required by subdivision  
 79.25 2, paragraph (c); and

79.26 (5) one hundred percent of the surety bond or deposit provided for under section 53B.60  
 79.27 that exceeds the average daily money transmission liability in Minnesota.

79.28 Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1,  
 79.29 clause (4), must:

79.30 (1) be issued by a federally insured depository financial institution, a foreign bank that  
 79.31 is authorized under federal law to maintain a federal agency or federal branch office in a  
 79.32 state or states, or a foreign bank that is authorized under state law to maintain a branch in  
 79.33 a state that: (i) bears an eligible rating or whose parent company bears an eligible rating;  
 80.1 and (ii) is regulated, supervised, and examined by United States federal or state authorities  
 80.2 having regulatory authority over banks, credit unions, and trust companies;

80.3 (2) be irrevocable, unconditional, and indicate that it is not subject to any condition or  
 80.4 qualifications outside of the letter of credit;

80.5 (3) not contain reference to any other agreements, documents, or entities, or otherwise  
 80.6 provide for any security interest in the licensee; and

80.7 (4) contain an issue date and expiration date, and expressly provide for automatic  
 80.8 extension without a written amendment, for an additional period of one year from the present  
 80.9 or each future expiration date, unless the issuer of the letter of credit notifies the  
 80.10 commissioner in writing by certified or registered mail or courier mail or other receipted  
 80.11 means, at least 60 days before any expiration date, that the irrevocable letter of credit will  
 80.12 not be extended.

80.13 (b) In the event of any notice of expiration or nonextension of a letter of credit issued  
 80.14 under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the  
 80.15 commissioner, 15 days before the letter or credit's expiration, that the licensee maintains  
 80.16 and will maintain permissible investments in accordance with section 53B.61, paragraph  
 80.17 (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the  
 80.18 commissioner may draw on the letter of credit in an amount up to the amount necessary to  
 80.19 meet the licensee's requirements to maintain permissible investments in accordance with

125.20 section 1813, as amended or recodified from time to time, or as defined under the federal  
 125.21 Credit Union Act, United States Code, title 12, section 1781, as amended or recodified from  
 125.22 time to time;

125.23 (3) an obligation of the United States or a commission, agency, or instrumentality thereof;  
 125.24 an obligation that is guaranteed fully as to principal and interest by the United States; or an  
 125.25 obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

125.26 (4) the full drawable amount of an irrevocable standby letter of credit, for which the  
 125.27 stated beneficiary is the commissioner, that stipulates that the beneficiary need only draw  
 125.28 a sight draft under the letter of credit and present the sight draft to obtain funds up to the  
 125.29 letter of credit amount within seven days of presentation of the items required by subdivision  
 125.30 2, paragraph (c); and

125.31 (5) one hundred percent of the surety bond or deposit provided for under section 53B.60  
 125.32 that exceeds the average daily money transmission liability in Minnesota.

126.1 Subd. 2. **Letter of credit; requirements.** (a) A letter of credit under subdivision 1,  
 126.2 clause (4), must:

126.3 (1) be issued by a federally insured depository financial institution, a foreign bank that  
 126.4 is authorized under federal law to maintain a federal agency or federal branch office in a  
 126.5 state or states, or a foreign bank that is authorized under state law to maintain a branch in  
 126.6 a state that: (i) bears an eligible rating or whose parent company bears an eligible rating;  
 126.7 and (ii) is regulated, supervised, and examined by United States federal or state authorities  
 126.8 having regulatory authority over banks, credit unions, and trust companies;

126.9 (2) be irrevocable, unconditional, and indicate that it is not subject to any condition or  
 126.10 qualifications outside of the letter of credit;

126.11 (3) not contain reference to any other agreements, documents, or entities, or otherwise  
 126.12 provide for any security interest in the licensee; and

126.13 (4) contain an issue date and expiration date, and expressly provide for automatic  
 126.14 extension without a written amendment, for an additional period of one year from the present  
 126.15 or each future expiration date, unless the issuer of the letter of credit notifies the  
 126.16 commissioner in writing by certified or registered mail or courier mail or other receipted  
 126.17 means, at least 60 days before any expiration date, that the irrevocable letter of credit will  
 126.18 not be extended.

126.19 (b) In the event of any notice of expiration or nonextension of a letter of credit issued  
 126.20 under paragraph (a), clause (4), the licensee must demonstrate to the satisfaction of the  
 126.21 commissioner, 15 days before the letter or credit's expiration, that the licensee maintains  
 126.22 and will maintain permissible investments in accordance with section 53B.61, paragraph  
 126.23 (a), upon the expiration of the letter of credit. If the licensee is not able to do so, the  
 126.24 commissioner may draw on the letter of credit in an amount up to the amount necessary to  
 126.25 meet the licensee's requirements to maintain permissible investments in accordance with

80.20 section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the  
 80.21 licensee's outstanding money transmission obligations. The drawn funds must be held in  
 80.22 trust by the commissioner or the commissioner's designated agent, to the extent authorized  
 80.23 by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding  
 80.24 money transmission obligations.

80.25 (c) The letter of credit must provide that the issuer of the letter of credit must honor, at  
 80.26 sight, a presentation made by the beneficiary to the issuer of the following documents on  
 80.27 or before the expiration date of the letter of credit:

80.28 (1) the original letter of credit, including any amendments; and

80.29 (2) a written statement from the beneficiary stating that any of the following events have  
 80.30 occurred:

80.31 (i) the filing of a petition by or against the licensee under the United States Bankruptcy  
 80.32 Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time  
 80.33 to time, for bankruptcy or reorganization;

81.1 (ii) the filing of a petition by or against the licensee for receivership, or the  
 81.2 commencement of any other judicial or administrative proceeding for the licensee's  
 81.3 dissolution or reorganization;

81.4 (iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to  
 81.5 an emergency order issued in accordance with applicable law, on the basis of an action,  
 81.6 violation, or condition that has caused or is likely to cause the insolvency of the licensee;  
 81.7 or

81.8 (iv) the beneficiary has received notice of expiration or nonextension of a letter of credit  
 81.9 and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee  
 81.10 will maintain permissible investments in accordance with section 53B.61, paragraph (a),  
 81.11 upon the expiration or nonextension of the letter of credit.

81.12 (d) The commissioner may designate an agent to serve on the commissioner's behalf as  
 81.13 beneficiary to a letter of credit, provided the agent and letter of credit meet requirements  
 81.14 the commissioner establishes. The commissioner's agent may serve as agent for multiple  
 81.15 licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable  
 81.16 amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to  
 81.17 the commissioner.

81.18 (e) The commissioner is authorized to participate in multistate processes designed to  
 81.19 facilitate the issuance and administration of letters of credit, including but not limited to  
 81.20 services provided by the NMLS and State Regulatory Registry, LLC.

81.21 Subd. 3. **Other permissible investments.** Unless the commissioner by administrative  
 81.22 rule or order otherwise permits an investment to exceed the limit set forth in this subdivision,  
 81.23 the following investments are permissible under section 53B.61 to the extent specified:

126.26 section 53B.61, paragraph (a). Any draw under this paragraph must be offset against the  
 126.27 licensee's outstanding money transmission obligations. The drawn funds must be held in  
 126.28 trust by the commissioner or the commissioner's designated agent, to the extent authorized  
 126.29 by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding  
 126.30 money transmission obligations.

126.31 (c) The letter of credit must provide that the issuer of the letter of credit must honor, at  
 126.32 sight, a presentation made by the beneficiary to the issuer of the following documents on  
 126.33 or before the expiration date of the letter of credit:

126.34 (1) the original letter of credit, including any amendments; and

127.1 (2) a written statement from the beneficiary stating that any of the following events have  
 127.2 occurred:

127.3 (i) the filing of a petition by or against the licensee under the United States Bankruptcy  
 127.4 Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time  
 127.5 to time, for bankruptcy or reorganization;

127.6 (ii) the filing of a petition by or against the licensee for receivership, or the  
 127.7 commencement of any other judicial or administrative proceeding for the licensee's  
 127.8 dissolution or reorganization;

127.9 (iii) the seizure of assets of a licensee by a commissioner of any other state pursuant to  
 127.10 an emergency order issued in accordance with applicable law, on the basis of an action,  
 127.11 violation, or condition that has caused or is likely to cause the insolvency of the licensee;  
 127.12 or

127.13 (iv) the beneficiary has received notice of expiration or nonextension of a letter of credit  
 127.14 and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee  
 127.15 will maintain permissible investments in accordance with section 53B.61, paragraph (a),  
 127.16 upon the expiration or nonextension of the letter of credit.

127.17 (d) The commissioner may designate an agent to serve on the commissioner's behalf as  
 127.18 beneficiary to a letter of credit, provided the agent and letter of credit meet requirements  
 127.19 the commissioner establishes. The commissioner's agent may serve as agent for multiple  
 127.20 licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable  
 127.21 amount for the purposes of subdivision 1, clause (4), and this subdivision are assigned to  
 127.22 the commissioner.

127.23 (e) The commissioner is authorized to participate in multistate processes designed to  
 127.24 facilitate the issuance and administration of letters of credit, including but not limited to  
 127.25 services provided by the NMLS and State Regulatory Registry, LLC.

127.26 Subd. 3. **Other permissible investments.** Unless the commissioner by administrative  
 127.27 rule or order otherwise permits an investment to exceed the limit set forth in this subdivision,  
 127.28 the following investments are permissible under section 53B.61 to the extent specified:



81.24 (1) receivables that are payable to a licensee from its authorized delegates in the ordinary  
 81.25 course of business that are less than seven days old, up to 50 percent of the aggregate value  
 81.26 of the licensee's total permissible investments;

81.27 (2) of the receivables permissible under clause (1), receivables that are payable to a  
 81.28 licensee from a single authorized delegate in the ordinary course of business may not exceed  
 81.29 ten percent of the aggregate value of the licensee's total permissible investments;

81.30 (3) the following investments are permissible up to 20 percent per category and combined  
 81.31 up to 50 percent of the aggregate value of the licensee's total permissible investments:

81.32 (i) a short-term investment of up to six months bearing an eligible rating;

81.33 (ii) commercial paper bearing an eligible rating;

82.1 (iii) a bill, note, bond, or debenture bearing an eligible rating;

82.2 (iv) United States tri-party repurchase agreements collateralized at 100 percent or more  
 82.3 with United States government or agency securities, municipal bonds, or other securities  
 82.4 bearing an eligible rating;

82.5 (v) money market mutual funds rated less than "AAA" and equal to or higher than "A-"  
 82.6 by S&P, or the equivalent from any other eligible rating service; and

82.7 (vi) a mutual fund or other investment fund composed solely and exclusively of one or  
 82.8 more permissible investments listed in subdivision 1, clauses (1) to (3); and

82.9 (4) cash, including demand deposits, savings deposits, and funds in accounts held for  
 82.10 the benefit of the licensee's customers, at foreign depository institutions are permissible up  
 82.11 to ten percent of the aggregate value of the licensee's total permissible investments, if the  
 82.12 licensee has received a satisfactory rating in the licensee's most recent examination and the  
 82.13 foreign depository institution:

82.14 (i) has an eligible rating;

82.15 (ii) is registered under the Foreign Account Tax Compliance Act, Public Law 111-147;

82.16 (iii) is not located in any country subject to sanctions from the Office of Foreign Asset  
 82.17 Control; and

82.18 (iv) is not located in a high-risk or noncooperative jurisdiction, as designated by the  
 82.19 Financial Action Task Force.

82.20 **Sec. 37. [53B.63] SUSPENSION; REVOCATION.**

82.21 (a) The commissioner may suspend or revoke a license or order a licensee to revoke the  
 82.22 designation of an authorized delegate if:

127.29 (1) receivables that are payable to a licensee from its authorized delegates in the ordinary  
 127.30 course of business that are less than seven days old, up to 50 percent of the aggregate value  
 127.31 of the licensee's total permissible investments;

128.1 (2) of the receivables permissible under clause (1), receivables that are payable to a  
 128.2 licensee from a single authorized delegate in the ordinary course of business may not exceed  
 128.3 ten percent of the aggregate value of the licensee's total permissible investments;

128.4 (3) the following investments are permissible up to 20 percent per category and combined  
 128.5 up to 50 percent of the aggregate value of the licensee's total permissible investments:

128.6 (i) a short-term investment of up to six months bearing an eligible rating;

128.7 (ii) commercial paper bearing an eligible rating;

128.8 (iii) a bill, note, bond, or debenture bearing an eligible rating;

128.9 (iv) United States tri-party repurchase agreements collateralized at 100 percent or more  
 128.10 with United States government or agency securities, municipal bonds, or other securities  
 128.11 bearing an eligible rating;

128.12 (v) money market mutual funds rated less than "AAA" and equal to or higher than "A-"  
 128.13 by S&P, or the equivalent from any other eligible rating service; and

128.14 (vi) a mutual fund or other investment fund composed solely and exclusively of one or  
 128.15 more permissible investments listed in subdivision 1, clauses (1) to (3); and

128.16 (4) cash, including demand deposits, savings deposits, and funds in accounts held for  
 128.17 the benefit of the licensee's customers, at foreign depository institutions are permissible up  
 128.18 to ten percent of the aggregate value of the licensee's total permissible investments, if the  
 128.19 licensee has received a satisfactory rating in the licensee's most recent examination and the  
 128.20 foreign depository institution:

128.21 (i) has an eligible rating;

128.22 (ii) is registered under the Foreign Account Tax Compliance Act, Public Law 111-147;

128.23 (iii) is not located in any country subject to sanctions from the Office of Foreign Asset  
 128.24 Control; and

128.25 (iv) is not located in a high-risk or noncooperative jurisdiction, as designated by the  
 128.26 Financial Action Task Force.

128.27 **Sec. 49. [53B.63] SUSPENSION; REVOCATION.**

128.28 (a) The commissioner may suspend or revoke a license or order a licensee to revoke the  
 128.29 designation of an authorized delegate if:

82.23 (1) the licensee violates this chapter, or an administrative rule adopted or an order issued  
82.24 under this chapter;

82.25 (2) the licensee does not cooperate with an examination or investigation conducted by  
82.26 the commissioner;

82.27 (3) the licensee engages in fraud, intentional misrepresentation, or gross negligence;

82.28 (4) an authorized delegate is convicted of a violation of a state or federal statute  
82.29 prohibiting money laundering, or violates an administrative rule adopted or an order issued  
82.30 under this chapter, as a result of the licensee's willful misconduct or willful blindness;

83.1 (5) the competence, experience, character, or general fitness of the licensee, authorized  
83.2 delegate, person in control of a licensee, key individual, or responsible person of the  
83.3 authorized delegate indicates that it is not in the public interest to permit the person to  
83.4 provide money transmission;

83.5 (6) the licensee engages in an unsafe or unsound practice;

83.6 (7) the licensee is insolvent, suspends payment of the licensee's obligations, or makes a  
83.7 general assignment for the benefit of the licensee's creditors; or

83.8 (8) the licensee does not remove an authorized delegate after the commissioner issues  
83.9 and serves upon the licensee a final order that includes a finding that the authorized delegate  
83.10 has violated this chapter.

83.11 (b) When determining whether a licensee is engaging in an unsafe or unsound practice,  
83.12 the commissioner may consider the size and condition of the licensee's money transmission,  
83.13 the magnitude of the loss, the gravity of the violation of this chapter, and the previous  
83.14 conduct of the person involved.

83.15 **Sec. 38. [53B.64] AUTHORIZED DELEGATES; SUSPENSION AND**  
83.16 **REVOCAION.**

83.17 (a) The commissioner may issue an order suspending or revoking the designation of an  
83.18 authorized delegate if the commissioner finds:

83.19 (1) the authorized delegate violated this chapter, or an administrative rule adopted or an  
83.20 order issued under this chapter;

83.21 (2) the authorized delegate did not cooperate with an examination or investigation  
83.22 conducted by the commissioner;

83.23 (3) the authorized delegate engaged in fraud, intentional misrepresentation, or gross  
83.24 negligence;

83.25 (4) the authorized delegate is convicted of a violation of a state or federal anti-money  
83.26 laundering statute;

128.30 (1) the licensee violates this chapter, or an administrative rule adopted or an order issued  
128.31 under this chapter;

129.1 (2) the licensee does not cooperate with an examination or investigation conducted by  
129.2 the commissioner;

129.3 (3) the licensee engages in fraud, intentional misrepresentation, or gross negligence;

129.4 (4) an authorized delegate is convicted of a violation of a state or federal statute  
129.5 prohibiting money laundering, or violates an administrative rule adopted or an order issued  
129.6 under this chapter, as a result of the licensee's willful misconduct or willful blindness;

129.7 (5) the competence, experience, character, or general fitness of the licensee, authorized  
129.8 delegate, person in control of a licensee, key individual, or responsible person of the  
129.9 authorized delegate indicates that it is not in the public interest to permit the person to  
129.10 provide money transmission;

129.11 (6) the licensee engages in an unsafe or unsound practice;

129.12 (7) the licensee is insolvent, suspends payment of the licensee's obligations, or makes a  
129.13 general assignment for the benefit of the licensee's creditors; or

129.14 (8) the licensee does not remove an authorized delegate after the commissioner issues  
129.15 and serves upon the licensee a final order that includes a finding that the authorized delegate  
129.16 has violated this chapter.

129.17 (b) When determining whether a licensee is engaging in an unsafe or unsound practice,  
129.18 the commissioner may consider the size and condition of the licensee's money transmission,  
129.19 the magnitude of the loss, the gravity of the violation of this chapter, and the previous  
129.20 conduct of the person involved.

129.21 **Sec. 50. [53B.64] AUTHORIZED DELEGATES; SUSPENSION AND**  
129.22 **REVOCAION.**

129.23 (a) The commissioner may issue an order suspending or revoking the designation of an  
129.24 authorized delegate if the commissioner finds:

129.25 (1) the authorized delegate violated this chapter, or an administrative rule adopted or an  
129.26 order issued under this chapter;

129.27 (2) the authorized delegate did not cooperate with an examination or investigation  
129.28 conducted by the commissioner;

129.29 (3) the authorized delegate engaged in fraud, intentional misrepresentation, or gross  
129.30 negligence;

130.1 (4) the authorized delegate is convicted of a violation of a state or federal anti-money  
130.2 laundering statute;

83.27 (5) the competence, experience, character, or general fitness of the authorized delegate  
 83.28 or a person in control of the authorized delegate indicates that it is not in the public interest  
 83.29 to permit the authorized delegate to provide money transmission; or

83.30 (6) the authorized delegate is engaging in an unsafe or unsound practice.

84.1 (b) When determining whether an authorized delegate is engaging in an unsafe or unsound  
 84.2 practice, the commissioner may consider the size and condition of the authorized delegate's  
 84.3 provision of money transmission, the magnitude of the loss, the gravity of the violation of  
 84.4 this chapter, or an administrative rule adopted or order issued under this chapter, and the  
 84.5 previous conduct of the authorized delegate.

84.6 (c) An authorized delegate may apply for relief from a suspension or revocation of  
 84.7 designation as an authorized delegate in the same manner as a licensee.

84.8 **Sec. 39. [53B.65] ENFORCEMENT.**

84.9 Section 45.027 applies to this chapter.

84.10 **Sec. 40. [53B.66] CRIMINAL PENALTIES.**

84.11 (a) A person who intentionally makes a false statement, misrepresentation, or false  
 84.12 certification in a record filed or required to be maintained under this chapter or that  
 84.13 intentionally makes a false entry or omits a material entry in a record filed or required to  
 84.14 be maintained under this chapter is guilty of a felony.

84.15 (b) A person who knowingly engages in an activity for which a license is required under  
 84.16 this chapter without being licensed under this chapter, and who receives more than \$1,000  
 84.17 in compensation within a 30-day period from the activity, is guilty of a felony.

84.18 (c) A person who knowingly engages in an activity for which a license is required under  
 84.19 this chapter without being licensed under this chapter, and who receives more than \$500  
 84.20 but less than \$1,000 in compensation within a 30-day period from the activity, is guilty of  
 84.21 a gross misdemeanor.

84.22 (d) A person who knowingly engages in an activity for which a license is required under  
 84.23 this chapter without being licensed under this chapter, and who receives no more than \$500  
 84.24 in compensation within a 30-day period from the activity, is guilty of a misdemeanor.

84.25 **Sec. 41. [53B.67] SEVERABILITY.**

84.26 If any provision of this chapter or the chapter's application to any person or circumstance  
 84.27 is held invalid, the invalidity does not affect other provisions or applications of this chapter  
 84.28 that can be given effect without the invalid provision or application.

85.1 **Sec. 42. [53B.68] TRANSITION PERIOD.**

85.2 (a) A person licensed in Minnesota to engage in the business of money transmission is  
 85.3 not subject to the provisions of this chapter to the extent that this chapter's provisions conflict

130.3 (5) the competence, experience, character, or general fitness of the authorized delegate  
 130.4 or a person in control of the authorized delegate indicates that it is not in the public interest  
 130.5 to permit the authorized delegate to provide money transmission; or

130.6 (6) the authorized delegate is engaging in an unsafe or unsound practice.

130.7 (b) When determining whether an authorized delegate is engaging in an unsafe or unsound  
 130.8 practice, the commissioner may consider the size and condition of the authorized delegate's  
 130.9 provision of money transmission, the magnitude of the loss, the gravity of the violation of  
 130.10 this chapter, or an administrative rule adopted or order issued under this chapter, and the  
 130.11 previous conduct of the authorized delegate.

130.12 (c) An authorized delegate may apply for relief from a suspension or revocation of  
 130.13 designation as an authorized delegate in the same manner as a licensee.

130.14 **Sec. 51. [53B.65] ENFORCEMENT.**

130.15 Section 45.027 applies to this chapter.

130.16 **Sec. 52. [53B.66] CRIMINAL PENALTIES.**

130.17 (a) A person who intentionally makes a false statement, misrepresentation, or false  
 130.18 certification in a record filed or required to be maintained under this chapter or that  
 130.19 intentionally makes a false entry or omits a material entry in a record filed or required to  
 130.20 be maintained under this chapter is guilty of a felony.

130.21 (b) A person who knowingly engages in an activity for which a license is required under  
 130.22 this chapter without being licensed under this chapter, and who receives more than \$1,000  
 130.23 in compensation within a 30-day period from the activity, is guilty of a felony.

130.24 (c) A person who knowingly engages in an activity for which a license is required under  
 130.25 this chapter without being licensed under this chapter, and who receives more than \$500  
 130.26 but less than \$1,000 in compensation within a 30-day period from the activity, is guilty of  
 130.27 a gross misdemeanor.

130.28 (d) A person who knowingly engages in an activity for which a license is required under  
 130.29 this chapter without being licensed under this chapter, and who receives no more than \$500  
 130.30 in compensation within a 30-day period from the activity, is guilty of a misdemeanor.

131.1 **Sec. 53. [53B.67] SEVERABILITY.**

131.2 If any provision of this chapter or the chapter's application to any person or circumstance  
 131.3 is held invalid, the invalidity does not affect other provisions or applications of this chapter  
 131.4 that can be given effect without the invalid provision or application.

131.5 **Sec. 54. [53B.68] TRANSITION PERIOD.**

131.6 (a) A person licensed in Minnesota to engage in the business of money transmission is  
 131.7 not subject to the provisions of this chapter to the extent that this chapter's provisions conflict

85.4 with current law or establish new requirements not imposed under current law until the  
 85.5 licensee renews the licensee's current license or for five months after the effective date of  
 85.6 this chapter, whichever is later.

85.7 (b) Notwithstanding paragraph (a), a licensee is only required to amend the licensee's  
 85.8 authorized delegate contracts for contracts entered into or amended after the effective date  
 85.9 or the completion of any transition period contemplated under paragraph (a). Nothing in  
 85.10 this section limits an authorized delegate's obligations to operate in full compliance with  
 85.11 this chapter, as required under section 53B.51, paragraph (c).

85.12 **Sec. 43. [53B.69] DEFINITIONS.**

85.13 Subdivision 1. **Terms.** For purposes of sections 53B.70 to 53B.74, the following terms  
 85.14 have the meaning given them.

85.15 Subd. 2. **Control of virtual currency.** "Control of virtual currency," when used in  
 85.16 reference to a transaction or relationship involving virtual currency, means the power to  
 85.17 execute unilaterally or prevent indefinitely a virtual currency transaction.

85.18 Subd. 3. **Exchange.** "Exchange," used as a verb, means to assume control of virtual  
 85.19 currency from or on behalf of a person, at least momentarily, to sell, trade, or convert:

85.20 (1) virtual currency for money, bank credit, or one or more forms of virtual currency;  
 85.21 or

85.22 (2) money or bank credit for one or more forms of virtual currency.

85.23 Subd. 4. **Transfer.** "Transfer" means to assume control of virtual currency from or on  
 85.24 behalf of a person and to:

85.25 (1) credit the virtual currency to the account of another person;

85.26 (2) move the virtual currency from one account of a person to another account of the  
 85.27 same person; or

85.28 (3) relinquish control of virtual currency to another person.

85.29 Subd. 5. **United States dollar equivalent of virtual currency.** "United States dollar  
 85.30 equivalent of virtual currency" means the equivalent value of a particular virtual currency  
 86.1 in United States dollars shown on a virtual-currency exchange based in the United States  
 86.2 for a particular date or period specified in this chapter.

86.3 Subd. 6. **Virtual currency.** (a) "Virtual currency" means a digital representation of value  
 86.4 that:

86.5 (1) is used as a medium of exchange, unit of account, or store of value; and

86.6 (2) is not money, whether or not denominated in money.

131.8 with current law or establish new requirements not imposed under current law until the  
 131.9 licensee renews the licensee's current license or for five months after the effective date of  
 131.10 this chapter, whichever is later.

131.11 (b) Notwithstanding paragraph (a), a licensee is only required to amend the licensee's  
 131.12 authorized delegate contracts for contracts entered into or amended after the effective date  
 131.13 or the completion of any transition period contemplated under paragraph (a). Nothing in  
 131.14 this section limits an authorized delegate's obligations to operate in full compliance with  
 131.15 this chapter, as required under section 53B.51, paragraph (c).

131.16 **Sec. 55. [53B.69] DEFINITIONS.**

131.17 Subdivision 1. **Terms.** For purposes of sections 53B.70 to 53B.74, the following terms  
 131.18 have the meaning given them.

131.19 Subd. 2. **Control of virtual currency.** "Control of virtual currency," when used in  
 131.20 reference to a transaction or relationship involving virtual currency, means the power to  
 131.21 execute unilaterally or prevent indefinitely a virtual currency transaction.

131.22 Subd. 3. **Exchange.** "Exchange," used as a verb, means to assume control of virtual  
 131.23 currency from or on behalf of a person, at least momentarily, to sell, trade, or convert:

131.24 (1) virtual currency for money, bank credit, or one or more forms of virtual currency;  
 131.25 or

131.26 (2) money or bank credit for one or more forms of virtual currency.

131.27 Subd. 4. **Transfer.** "Transfer" means to assume control of virtual currency from or on  
 131.28 behalf of a person and to:

131.29 (1) credit the virtual currency to the account of another person;

131.30 (2) move the virtual currency from one account of a person to another account of the  
 131.31 same person; or

132.1 (3) relinquish control of virtual currency to another person.

132.2 Subd. 5. **United States dollar equivalent of virtual currency.** "United States dollar  
 132.3 equivalent of virtual currency" means the equivalent value of a particular virtual currency  
 132.4 in United States dollars shown on a virtual-currency exchange based in the United States  
 132.5 for a particular date or period specified in this chapter.

132.6 Subd. 6. **Virtual currency.** (a) "Virtual currency" means a digital representation of value  
 132.7 that:

132.8 (1) is used as a medium of exchange, unit of account, or store of value; and

132.9 (2) is not money, whether or not denominated in money.

86.7 (b) Virtual currency does not include:

86.8 (1) a transaction in which a merchant grants, as part of an affinity or rewards program,

86.9 value that cannot be taken from or exchanged with the merchant for money, bank credit, or

86.10 virtual currency; or

86.11 (2) a digital representation of value issued by or on behalf of a publisher and used solely

86.12 within an online game, game platform, or family of games sold by the same publisher or

86.13 offered on the same game platform.

86.14 Subd. 7. **Virtual-currency administration.** "Virtual-currency administration" means

86.15 issuing virtual currency with the authority to redeem the currency for money, bank credit,

86.16 or other virtual currency.

86.17 Subd. 8. **Virtual-currency business activity.** "Virtual-currency business activity" means:

86.18 (1) exchanging, transferring, or storing virtual currency or engaging in virtual-currency

86.19 administration, whether directly or through an agreement with a virtual-currency

86.20 control-services vendor;

86.21 (2) holding electronic precious metals or electronic certificates representing interests in

86.22 precious metals on behalf of another person or issuing shares or electronic certificates

86.23 representing interests in precious metals; or

86.24 (3) exchanging one or more digital representations of value used within one or more

86.25 online games, game platforms, or family of games for:

86.26 (i) virtual currency offered by or on behalf of the same publisher from which the original

86.27 digital representation of value was received; or

86.28 (ii) money or bank credit outside the online game, game platform, or family of games

86.29 offered by or on behalf of the same publisher from which the original digital representation

86.30 of value was received.

87.1 Subd. 9. **Virtual-currency control-services vendor.** "Virtual-currency control-services

87.2 vendor" means a person that has control of virtual currency solely under an agreement with

87.3 a person that, on behalf of another person, assumes control of virtual currency.

87.4 Sec. 44. **[53B.70] SCOPE.**

87.5 (a) Sections 53B.71 to 53B.74 do not apply to the exchange, transfer, or storage of virtual

87.6 currency or to virtual-currency administration to the extent the Electronic Fund Transfer

87.7 Act of 1978, United States Code, title 15, sections 1693 to 1693r, as amended or recodified

87.8 from time to time; the Securities Exchange Act of 1934, United States Code, title 15, sections

87.9 78a to 78oo, as amended or recodified from time to time; the Commodities Exchange Act

87.10 of 1936, United States Code, title 7, sections 1 to 27f, as amended or recodified from time

87.11 to time; or chapter 80A govern the activity.

132.10 (b) Virtual currency does not include:

132.11 (1) a transaction in which a merchant grants, as part of an affinity or rewards program,

132.12 value that cannot be taken from or exchanged with the merchant for money, bank credit, or

132.13 virtual currency; or

132.14 (2) a digital representation of value issued by or on behalf of a publisher and used solely

132.15 within an online game, game platform, or family of games sold by the same publisher or

132.16 offered on the same game platform.

132.17 Subd. 7. **Virtual-currency administration.** "Virtual-currency administration" means

132.18 issuing virtual currency with the authority to redeem the currency for money, bank credit,

132.19 or other virtual currency.

132.20 Subd. 8. **Virtual-currency business activity.** "Virtual-currency business activity" means:

132.21 (1) exchanging, transferring, or storing virtual currency or engaging in virtual-currency

132.22 administration, whether directly or through an agreement with a virtual-currency

132.23 control-services vendor;

132.24 (2) holding electronic precious metals or electronic certificates representing interests in

132.25 precious metals on behalf of another person or issuing shares or electronic certificates

132.26 representing interests in precious metals; or

132.27 (3) exchanging one or more digital representations of value used within one or more

132.28 online games, game platforms, or family of games for:

132.29 (i) virtual currency offered by or on behalf of the same publisher from which the original

132.30 digital representation of value was received; or

133.1 (ii) money or bank credit outside the online game, game platform, or family of games

133.2 offered by or on behalf of the same publisher from which the original digital representation

133.3 of value was received.

133.4 Subd. 9. **Virtual-currency control-services vendor.** "Virtual-currency control-services

133.5 vendor" means a person that has control of virtual currency solely under an agreement with

133.6 a person that, on behalf of another person, assumes control of virtual currency.

133.7 Sec. 56. **[53B.70] SCOPE.**

133.8 (a) Sections 53B.71 to 53B.74 do not apply to the exchange, transfer, or storage of virtual

133.9 currency or to virtual-currency administration to the extent the Electronic Fund Transfer

133.10 Act of 1978, United States Code, title 15, sections 1693 to 1693r, as amended or recodified

133.11 from time to time; the Securities Exchange Act of 1934, United States Code, title 15, sections

133.12 78a to 78oo, as amended or recodified from time to time; the Commodities Exchange Act

133.13 of 1936, United States Code, title 7, sections 1 to 27f, as amended or recodified from time

133.14 to time; or chapter 80A govern the activity.

87.12 (b) Sections 53B.71 to 53B.74 do not apply to activity by:

87.13 (1) a person that:

87.14 (i) contributes only connectivity software or computing power to a decentralized virtual

87.15 currency, or to a protocol governing transfer of the digital representation of value;

87.16 (ii) provides only data storage or security services for a business engaged in

87.17 virtual-currency business activity and does not otherwise engage in virtual-currency business

87.18 activity on behalf of another person; or

87.19 (iii) provides only to a person otherwise exempt from this chapter virtual currency as

87.20 one or more enterprise solutions used solely among each other and has no agreement or

87.21 relationship with a person that is an end-user of virtual currency;

87.22 (2) a person using virtual currency, including creating, investing, buying or selling, or

87.23 obtaining virtual currency as payment for the purchase or sale of goods or services, solely:

87.24 (i) on the person's own behalf;

87.25 (ii) for personal, family, or household purposes; or

87.26 (iii) for academic purposes;

87.27 (3) a person whose virtual-currency business activity with or on behalf of persons is

87.28 reasonably expected to be valued, in the aggregate, on an annual basis at \$5,000 or less,

87.29 measured by the United States dollar equivalent of virtual currency;

87.30 (4) an attorney to the extent of providing escrow services to a person;

87.31 (5) a title insurance company to the extent of providing escrow services to a person; or

88.1 (6) a securities intermediary, as defined under section 336.8-102(14), or a commodity

88.2 intermediary, as defined under section 336.9-102(17), that:

88.3 (i) does not engage in the ordinary course of business in virtual-currency business activity

88.4 with or on behalf of a person in addition to maintaining securities accounts or commodities

88.5 accounts and is regulated as a securities intermediary or commodity intermediary under

88.6 federal law, law of Minnesota other than this chapter, or law of another state; and

88.7 (ii) affords a person protections comparable to those set forth under section 53B.37.

88.8 (c) Sections 53B.71 to 53B.74 do not apply to a secured creditor, as defined under

88.9 sections 336.9-101 to 336.9-809 or to a creditor with a judicial lien or lien arising by

88.10 operation of law on collateral that is virtual currency, if the virtual-currency business activity

88.11 of the creditor is limited to enforcement of the security interest in compliance with sections

88.12 336.9-101 to 336.9-809 or lien in compliance with the law applicable to the lien.

88.13 (d) Sections 53B.71 to 53B.74 do not apply to a virtual-currency control-services vendor.

133.15 (b) Sections 53B.71 to 53B.74 do not apply to activity by:

133.16 (1) a person that:

133.17 (i) contributes only connectivity software or computing power to a decentralized virtual

133.18 currency, or to a protocol governing transfer of the digital representation of value;

133.19 (ii) provides only data storage or security services for a business engaged in

133.20 virtual-currency business activity and does not otherwise engage in virtual-currency business

133.21 activity on behalf of another person; or

133.22 (iii) provides only to a person otherwise exempt from this chapter virtual currency as

133.23 one or more enterprise solutions used solely among each other and has no agreement or

133.24 relationship with a person that is an end-user of virtual currency;

133.25 (2) a person using virtual currency, including creating, investing, buying or selling, or

133.26 obtaining virtual currency as payment for the purchase or sale of goods or services, solely:

133.27 (i) on the person's own behalf;

133.28 (ii) for personal, family, or household purposes; or

133.29 (iii) for academic purposes;

134.1 (3) a person whose virtual-currency business activity with or on behalf of persons is

134.2 reasonably expected to be valued, in the aggregate, on an annual basis at \$5,000 or less,

134.3 measured by the United States dollar equivalent of virtual currency;

134.4 (4) an attorney to the extent of providing escrow services to a person;

134.5 (5) a title insurance company to the extent of providing escrow services to a person; or

134.6 (6) a securities intermediary, as defined under section 336.8-102(14), or a commodity

134.7 intermediary, as defined under section 336.9-102(17), that:

134.8 (i) does not engage in the ordinary course of business in virtual-currency business activity

134.9 with or on behalf of a person in addition to maintaining securities accounts or commodities

134.10 accounts and is regulated as a securities intermediary or commodity intermediary under

134.11 federal law, law of Minnesota other than this chapter, or law of another state; and

134.12 (ii) affords a person protections comparable to those set forth under section 53B.37.

134.13 (c) Sections 53B.71 to 53B.74 do not apply to a secured creditor, as defined under

134.14 sections 336.9-101 to 336.9-809, or to a creditor with a judicial lien or lien arising by

134.15 operation of law on collateral that is virtual currency, if the virtual-currency business activity

134.16 of the creditor is limited to enforcement of the security interest in compliance with sections

134.17 336.9-101 to 336.9-809 or lien in compliance with the law applicable to the lien.

134.18 (d) Sections 53B.71 to 53B.74 do not apply to a virtual-currency control-services vendor.

- 88.14 (e) Sections 53B.71 to 53B.74 do not apply to a person that:
- 88.15 (1) does not receive compensation from a person to:
- 88.16 (i) provide virtual-currency products or services; or
- 88.17 (ii) conduct virtual-currency business activity; or
- 88.18 (2) is engaged in testing products or services with the person's own money.
- 88.19 (f) The commissioner may determine that a person or class of persons, given facts
- 88.20 particular to the person or class, should be exempt from this chapter, whether the person or
- 88.21 class is covered by requirements imposed under federal law on a money-service business.
- 88.22 Sec. 45. **[53B.71] VIRTUAL CURRENCY BUSINESS ACTIVITY; CONDITIONS**
- 88.23 **PRECEDENT.**
- 88.24 (a) A person may not engage in virtual-currency business activity, or hold itself out as
- 88.25 being able to engage in virtual-currency business activity, with or on behalf of another
- 88.26 person unless the person is:
- 88.27 (1) licensed in Minnesota by the commissioner under section 53B.40; or
- 88.28 (2) exempt from licensing under section 53B.29.
- 88.29 (b) A person that is licensed to engage in virtual-currency business activity is engaged
- 88.30 in the business of money transmission and is subject to the requirements of this chapter.
- 89.1 Sec. 46. **[53B.72] REQUIRED DISCLOSURES.**
- 89.2 (a) A licensee that engages in virtual currency business activity must provide to a person
- 89.3 who uses the licensee's products or services the disclosures required by paragraph (b) and
- 89.4 any additional disclosure the commissioner by administrative rule determines reasonably
- 89.5 necessary to protect persons. The commissioner must determine by administrative rule the
- 89.6 time and form required for disclosure. A disclosure required by this section must be made
- 89.7 separately from any other information provided by the licensee and in a clear and conspicuous
- 89.8 manner in a record the person may keep. A licensee may propose for the commissioner's
- 89.9 approval alternate disclosures as more appropriate for the licensee's virtual-currency business
- 89.10 activity with or on behalf of persons.
- 89.11 (b) Before establishing a relationship with a person, a licensee must disclose, to the
- 89.12 extent applicable to the virtual-currency business activity the licensee undertakes with the
- 89.13 person:
- 89.14 (1) a schedule of fees and charges the licensee may assess, the manner by which fees
- 89.15 and charges are calculated if the fees and charges are not set in advance and disclosed, and
- 89.16 the timing of the fees and charges;
- 89.17 (2) whether the product or service provided by the licensee is covered by:

- 134.19 (e) Sections 53B.71 to 53B.74 do not apply to a person that:
- 134.20 (1) does not receive compensation from a person to:
- 134.21 (i) provide virtual-currency products or services; or
- 134.22 (ii) conduct virtual-currency business activity; or
- 134.23 (2) is engaged in testing products or services with the person's own money.
- 134.24 (f) The commissioner may determine that a person or class of persons, given facts
- 134.25 particular to the person or class, should be exempt from this chapter, whether the person or
- 134.26 class is covered by requirements imposed under federal law on a money-service business.
- 134.27 Sec. 57. **[53B.71] VIRTUAL CURRENCY BUSINESS ACTIVITY; CONDITIONS**
- 134.28 **PRECEDENT.**
- 134.29 (a) A person may not engage in virtual-currency business activity, or hold itself out as
- 134.30 being able to engage in virtual-currency business activity, with or on behalf of another
- 134.31 person unless the person is:
- 135.1 (1) licensed in Minnesota by the commissioner under section 53B.40; or
- 135.2 (2) exempt from licensing under section 53B.29.
- 135.3 (b) A person that is licensed to engage in virtual-currency business activity is engaged
- 135.4 in the business of money transmission and is subject to the requirements of this chapter.
- 135.5 Sec. 58. **[53B.72] REQUIRED DISCLOSURES.**
- 135.6 (a) A licensee that engages in virtual currency business activity must provide to a person
- 135.7 who uses the licensee's products or services the disclosures required by paragraph (b) and
- 135.8 any additional disclosure the commissioner by administrative rule determines reasonably
- 135.9 necessary to protect persons. The commissioner must determine by administrative rule the
- 135.10 time and form required for disclosure. A disclosure required by this section must be made
- 135.11 separately from any other information provided by the licensee and in a clear and conspicuous
- 135.12 manner in a record the person may keep. A licensee may propose for the commissioner's
- 135.13 approval alternate disclosures as more appropriate for the licensee's virtual-currency business
- 135.14 activity with or on behalf of persons.
- 135.15 (b) Before establishing a relationship with a person, a licensee must disclose, to the
- 135.16 extent applicable to the virtual-currency business activity the licensee undertakes with the
- 135.17 person:
- 135.18 (1) a schedule of fees and charges the licensee may assess, the manner by which fees
- 135.19 and charges are calculated if the fees and charges are not set in advance and disclosed, and
- 135.20 the timing of the fees and charges;
- 135.21 (2) whether the product or service provided by the licensee is covered by:

89.18 (i) a form of insurance or is otherwise guaranteed against loss by an agency of the United  
89.19 States:

89.20 (A) up to the full United States dollar equivalent of virtual currency purchased from the  
89.21 licensee or for control of virtual currency by the licensee as of the date of the placement or  
89.22 purchase, including the maximum amount provided by insurance under the Federal Deposit  
89.23 Insurance Corporation or otherwise available from the Securities Investor Protection  
89.24 Corporation; or

89.25 (B) if not provided at the full United States dollar equivalent of virtual currency purchased  
89.26 from the licensee or for control of virtual currency by the licensee, the maximum amount  
89.27 of coverage for each person expressed in the United States dollar equivalent of the virtual  
89.28 currency; or

89.29 (ii) private insurance against theft or loss, including cyber theft or theft by other means;

89.30 (3) the irrevocability of a transfer or exchange and any exception to irrevocability;

89.31 (4) a description of:

89.32 (i) liability for an unauthorized, mistaken, or accidental transfer or exchange;

90.1 (ii) the person's responsibility to provide notice to the licensee of the transfer or exchange;

90.2 (iii) the basis for any recovery by the person from the licensee;

90.3 (iv) general error-resolution rights applicable to the transfer or exchange; and

90.4 (v) the method for the person to update the person's contact information with the licensee;

90.5 (5) that the date or time when the transfer or exchange is made and the person's account  
90.6 is debited may differ from the date or time when the person initiates the instruction to make  
90.7 the transfer or exchange;

90.8 (6) whether the person has a right to stop a preauthorized payment or revoke authorization  
90.9 for a transfer, and the procedure to initiate a stop-payment order or revoke authorization  
90.10 for a subsequent transfer;

90.11 (7) the person's right to receive a receipt, trade ticket, or other evidence of the transfer  
90.12 or exchange;

90.13 (8) the person's right to at least 30 days' prior notice of a change in the licensee's fee  
90.14 schedule, other terms and conditions of operating the licensee's virtual-currency business  
90.15 activity with the person, and the policies applicable to the person's account; and

90.16 (9) that virtual currency is not money.

135.22 (i) a form of insurance or is otherwise guaranteed against loss by an agency of the United  
135.23 States:

135.24 (A) up to the full United States dollar equivalent of virtual currency purchased from the  
135.25 licensee or for control of virtual currency by the licensee as of the date of the placement or  
135.26 purchase, including the maximum amount provided by insurance under the Federal Deposit  
135.27 Insurance Corporation or otherwise available from the Securities Investor Protection  
135.28 Corporation; or

135.29 (B) if not provided at the full United States dollar equivalent of virtual currency purchased  
135.30 from the licensee or for control of virtual currency by the licensee, the maximum amount  
135.31 of coverage for each person expressed in the United States dollar equivalent of the virtual  
135.32 currency; or

136.1 (ii) private insurance against theft or loss, including cyber theft or theft by other means;

136.2 (3) the irrevocability of a transfer or exchange and any exception to irrevocability;

136.3 (4) a description of:

136.4 (i) liability for an unauthorized, mistaken, or accidental transfer or exchange;

136.5 (ii) the person's responsibility to provide notice to the licensee of the transfer or exchange;

136.6 (iii) the basis for any recovery by the person from the licensee;

136.7 (iv) general error-resolution rights applicable to the transfer or exchange; and

136.8 (v) the method for the person to update the person's contact information with the licensee;

136.9 (5) that the date or time when the transfer or exchange is made and the person's account  
136.10 is debited may differ from the date or time when the person initiates the instruction to make  
136.11 the transfer or exchange;

136.12 (6) whether the person has a right to stop a preauthorized payment or revoke authorization  
136.13 for a transfer, and the procedure to initiate a stop-payment order or revoke authorization  
136.14 for a subsequent transfer;

136.15 (7) the person's right to receive a receipt, trade ticket, or other evidence of the transfer  
136.16 or exchange;

136.17 (8) the person's right to at least 30 days' prior notice of a change in the licensee's fee  
136.18 schedule, other terms and conditions of operating the licensee's virtual-currency business  
136.19 activity with the person, and the policies applicable to the person's account; and

136.20 (9) that virtual currency is not money.



90.17 (c) Except as otherwise provided in paragraph (d), at the conclusion of a virtual-currency  
 90.18 transaction with or on behalf of a person, a licensee must provide the person a confirmation  
 90.19 in a record. The record must contain:

90.20 (1) the name and contact information of the licensee, including information the person  
 90.21 may need to ask a question or file a complaint;

90.22 (2) the type, value, date, precise time, and amount of the transaction; and

90.23 (3) the fee charged for the transaction, including any charge for conversion of virtual  
 90.24 currency to money, bank credit, or other virtual currency.

90.25 (d) If a licensee discloses that it provides a daily confirmation in the initial disclosure  
 90.26 under paragraph (c), the licensee may elect to provide a single, daily confirmation for all  
 90.27 transactions with or on behalf of a person on that day instead of a per-transaction  
 90.28 confirmation.

91.1 Sec. 47. [53B.73] PROPERTY INTERESTS AND ENTITLEMENTS TO VIRTUAL  
 91.2 CURRENCY.

91.3 (a) A licensee that has control of virtual currency for one or more persons must maintain  
 91.4 control of virtual currency in each type of virtual currency sufficient to satisfy the aggregate  
 91.5 entitlements of the persons to the type of virtual currency.

91.6 (b) If a licensee violates paragraph (a), the property interests of the persons in the virtual  
 91.7 currency are pro rata property interests in the type of virtual currency to which the persons  
 91.8 are entitled, without regard to the time the persons became entitled to the virtual currency  
 91.9 or the licensee obtained control of the virtual currency.

91.10 (c) The virtual currency referred to in this section is:

91.11 (1) held for the persons entitled to the virtual currency;

91.12 (2) not property of the licensee;

91.13 (3) not subject to the claims of creditors of the licensee; and

91.14 (4) a permissible investment under this chapter.

91.15 Sec. 48. [53B.74] VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL  
 91.16 REQUIREMENTS.

91.17 (a) A licensee engaged in virtual currency business activities may include virtual currency  
 91.18 in the licensee's calculation of tangible net worth, by measuring the average value of the  
 91.19 virtual currency in United States dollar equivalent over the prior six months, excluding  
 91.20 control of virtual currency for a person entitled to the protections under section 53B.73.

91.21 (b) A licensee must maintain, for all virtual-currency business activity with or on behalf  
 91.22 of a person five years after the date of the activity, a record of:

136.21 (c) Except as otherwise provided in paragraph (d), at the conclusion of a virtual-currency  
 136.22 transaction with or on behalf of a person, a licensee must provide the person a confirmation  
 136.23 in a record. The record must contain:

136.24 (1) the name and contact information of the licensee, including information the person  
 136.25 may need to ask a question or file a complaint;

136.26 (2) the type, value, date, precise time, and amount of the transaction; and

136.27 (3) the fee charged for the transaction, including any charge for conversion of virtual  
 136.28 currency to money, bank credit, or other virtual currency.

136.29 (d) If a licensee discloses that it provides a daily confirmation in the initial disclosure  
 136.30 under paragraph (c), the licensee may elect to provide a single, daily confirmation for all  
 137.1 transactions with or on behalf of a person on that day instead of a per-transaction  
 137.2 confirmation.

137.3 Sec. 59. [53B.73] PROPERTY INTERESTS AND ENTITLEMENTS TO VIRTUAL  
 137.4 CURRENCY.

137.5 (a) A licensee that has control of virtual currency for one or more persons must maintain  
 137.6 control of virtual currency in each type of virtual currency sufficient to satisfy the aggregate  
 137.7 entitlements of the persons to the type of virtual currency.

137.8 (b) If a licensee violates paragraph (a), the property interests of the persons in the virtual  
 137.9 currency are pro rata property interests in the type of virtual currency to which the persons  
 137.10 are entitled, without regard to the time the persons became entitled to the virtual currency  
 137.11 or the licensee obtained control of the virtual currency.

137.12 (c) The virtual currency referred to in this section is:

137.13 (1) held for the persons entitled to the virtual currency;

137.14 (2) not property of the licensee;

137.15 (3) not subject to the claims of creditors of the licensee; and

137.16 (4) a permissible investment under this chapter.

137.17 Sec. 60. [53B.74] VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL  
 137.18 REQUIREMENTS.

137.19 (a) A licensee engaged in virtual currency business activities may include virtual currency  
 137.20 in the licensee's calculation of tangible net worth, by measuring the average value of the  
 137.21 virtual currency in United States dollar equivalent over the prior six months, excluding  
 137.22 control of virtual currency for a person entitled to the protections under section 53B.73.

137.23 (b) A licensee must maintain, for all virtual-currency business activity with or on behalf  
 137.24 of a person five years after the date of the activity, a record of:

91.23 (1) each of the licensee's transactions with or on behalf of the person, or for the licensee's  
 91.24 account in Minnesota, including:

91.25 (i) the identity of the person;

91.26 (ii) the form of the transaction;

91.27 (iii) the amount, date, and payment instructions given by the person; and

91.28 (iv) the account number, name, and United States Postal Service address of the person,  
 91.29 and, to the extent feasible, other parties to the transaction;

92.1 (2) the aggregate number of transactions and aggregate value of transactions by the  
 92.2 licensee with or on behalf of the person and for the licensee's account in this state, expressed  
 92.3 in the United States dollar equivalent of the virtual currency for the previous 12 calendar  
 92.4 months;

92.5 (3) each transaction in which the licensee exchanges one form of virtual currency for  
 92.6 money or another form of virtual currency with or on behalf of the person;

92.7 (4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities,  
 92.8 capital, income, and expenses;

92.9 (5) each business-call report the licensee is required to create or provide to the department  
 92.10 or NMLS;

92.11 (6) bank statements and bank reconciliation records for the licensee and the name,  
 92.12 account number, and United States Postal Service address of each bank the licensee uses  
 92.13 to conduct virtual-currency business activity with or on behalf of the person;

92.14 (7) a report of any dispute with the person; and

92.15 (8) a report of any virtual-currency business activity transaction with or on behalf of a  
 92.16 person which the licensee was unable to complete.

92.17 (c) A licensee must maintain records required by paragraph (b) in a form that enables  
 92.18 the commissioner to determine whether the licensee is in compliance with this chapter, any  
 92.19 court order, and law of Minnesota other than this chapter.

137.25 (1) each of the licensee's transactions with or on behalf of the person, or for the licensee's  
 137.26 account in Minnesota, including:

137.27 (i) the identity of the person;

137.28 (ii) the form of the transaction;

137.29 (iii) the amount, date, and payment instructions given by the person; and

138.1 (iv) the account number, name, and United States Postal Service address of the person,  
 138.2 and, to the extent feasible, other parties to the transaction;

138.3 (2) the aggregate number of transactions and aggregate value of transactions by the  
 138.4 licensee with or on behalf of the person and for the licensee's account in this state, expressed  
 138.5 in the United States dollar equivalent of the virtual currency for the previous 12 calendar  
 138.6 months;

138.7 (3) each transaction in which the licensee exchanges one form of virtual currency for  
 138.8 money or another form of virtual currency with or on behalf of the person;

138.9 (4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities,  
 138.10 capital, income, and expenses;

138.11 (5) each business-call report the licensee is required to create or provide to the department  
 138.12 or NMLS;

138.13 (6) bank statements and bank reconciliation records for the licensee and the name,  
 138.14 account number, and United States Postal Service address of each bank the licensee uses  
 138.15 to conduct virtual-currency business activity with or on behalf of the person;

138.16 (7) a report of any dispute with the person; and

138.17 (8) a report of any virtual-currency business activity transaction with or on behalf of a  
 138.18 person which the licensee was unable to complete.

138.19 (c) A licensee must maintain records required by paragraph (b) in a form that enables  
 138.20 the commissioner to determine whether the licensee is in compliance with this chapter, any  
 138.21 court order, and law of Minnesota other than this chapter.

138.22 Sec. 61. Minnesota Statutes 2022, section 56.131, subdivision 1, is amended to read:

138.23 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not  
 138.24 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and  
 138.25 surplus as defined in section 53.015, if greater, a licensee may contract for and receive  
 138.26 interest, finance charges, and other charges as provided in section 47.59.

138.27 (b) A licensee making a loan that is a consumer small loan, as defined in section 47.60,  
 138.28 subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan

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3.25 Sec. 6. [58.20] DEFINITIONS.

3.26 Subdivision 1. **Scope.** For purposes of this section to section 58.23, the terms defined  
 3.27 in this section have the meanings given.

3.28 Subd. 2. **Allowable assets for liquidity.** "Allowable assets for liquidity" means assets  
 3.29 that may be used to satisfy the liquidity requirements under section 58.22, including:

4.1 (1) unrestricted cash and cash equivalents; and

4.2 (2) unencumbered investment grade assets held for sale or trade, including agency  
 4.3 mortgage-backed securities, obligations of government-sponsored enterprises, and United  
 4.4 States Treasury obligations.

4.5 Subd. 3. **Board of directors.** "Board of directors" means the formal body established  
 4.6 by a covered institution that is responsible for corporate governance and compliance with  
 4.7 sections 58.21 to 58.23.

4.8 Subd. 4. **Corporate governance.** "Corporate governance" means the structure of the  
 4.9 covered institution and how the covered institution is managed, including the corporate  
 4.10 rules, policies, processes, and practices used to oversee and manage the covered institution.

4.11 Subd. 5. **Covered institution.** "Covered institution" means a mortgage servicer that  
 4.12 services or subservices for others at least 2,000 or more residential mortgage loans in the  
 4.13 United States, excluding whole loans owned, and loans being interim serviced prior to sale  
 4.14 as of the most recent calendar year end, reported on the NMLS mortgage call report.

138.29 that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph  
 138.30 (d), must comply with section 47.601.

138.31 ~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity  
 138.32 of more than 60 months, the original schedule of installment payments must fully amortize  
 139.1 the principal and interest on the loan. The original schedule of installment payments for any  
 139.2 other loan secured by an interest in real estate must provide for payment amounts that are  
 139.3 sufficient to pay all interest scheduled to be due on the loan.

139.4 ~~(e)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in  
 139.5 section 47.59, subdivision 6, paragraph (a), clause (4).

139.6 ~~(f)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing  
 139.7 as provided in section 47.59, subdivision 5.

139.8 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2023, and  
 139.9 applies to consumer small loans and consumer short-term loans originated on or after that  
 139.10 date.

139.11 Sec. 62. [58.20] DEFINITIONS.

139.12 Subdivision 1. **Scope.** For purposes of this section to section 58.23, the terms defined  
 139.13 in this section have the meanings given.

139.14 Subd. 2. **Allowable assets for liquidity.** "Allowable assets for liquidity" means assets  
 139.15 that may be used to satisfy the liquidity requirements under section 58.22, including:

139.16 (1) unrestricted cash and cash equivalents; and

139.17 (2) unencumbered investment grade assets held for sale or trade, including agency  
 139.18 mortgage-backed securities, obligations of government-sponsored enterprises, and United  
 139.19 States Treasury obligations.

139.20 Subd. 3. **Board of directors.** "Board of directors" means the formal body established  
 139.21 by a covered institution that is responsible for corporate governance and compliance with  
 139.22 sections 58.21 to 58.23.

139.23 Subd. 4. **Corporate governance.** "Corporate governance" means the structure of the  
 139.24 covered institution and how the covered institution is managed, including the corporate  
 139.25 rules, policies, processes, and practices used to oversee and manage the covered institution.

139.26 Subd. 5. **Covered institution.** "Covered institution" means a mortgage servicer that  
 139.27 services or subservices for others at least 2,000 or more residential mortgage loans in the  
 139.28 United States, excluding whole loans owned, and loans being interim serviced prior to sale  
 139.29 as of the most recent calendar year end, reported on the NMLS mortgage call report.

4.15 Subd. 6. **External audit.** "External audit" means the formal report, prepared by an  
 4.16 independent certified public accountant, expressing an opinion on whether the financial  
 4.17 statements are:

4.18 (1) presented fairly, in all material aspects, in accordance with the applicable financial  
 4.19 reporting framework; and

4.20 (2) inclusive of an evaluation of the adequacy of a company's internal control structure.

4.21 Subd. 7. **Government-sponsored enterprises.** "Government-sponsored enterprises"  
 4.22 means the Federal National Mortgage Association, and the Federal Home Loan Mortgage  
 4.23 Corporation.

4.24 Subd. 8. **Interim serviced prior to sale.** "Interim serviced prior to sale" means the  
 4.25 collection of a limited number of contractual mortgage payments immediately after  
 4.26 origination on loans held for sale but no longer than a period of ninety days prior to the  
 4.27 loans being sold into the secondary market.

4.28 Subd. 9. **Internal audit.** "Internal audit" means the internal activity of performing  
 4.29 independent and objective assurance and consulting to evaluate and improve the effectiveness  
 4.30 of company operations, risk management, internal controls, and governance processes.

4.31 Subd. 10. **Mortgage-backed security.** "Mortgage-backed security" means a financial  
 4.32 instrument, often debt securities, collateralized by residential mortgages.

5.1 Subd. 11. **Mortgage call report.** "Mortgage call report" means the quarterly or annual  
 5.2 report of residential real estate loan origination, servicing, and financial information  
 5.3 completed by companies licensed in NMLS.

5.4 Subd. 12. **Mortgage servicing rights.** "Mortgage servicing rights" means the contractual  
 5.5 right to service a residential mortgage loan on behalf of the owner of the associated mortgage  
 5.6 in exchange for compensation specified in the servicing contract.

5.7 Subd. 13. **Mortgage servicing rights investor.** "Mortgage servicing rights investor" or  
 5.8 "master servicer" means an entity that (1) invests in and owns mortgage servicing rights;  
 5.9 and (2) relies on subservicers to administer the loans on the mortgage servicing rights  
 5.10 investor's behalf.

5.11 Subd. 14. **Nationwide Multistate Licensing System.** "Nationwide Multistate Licensing  
 5.12 System" or "NMLS" has the meaning given in section 58A.02, subdivision 8.

5.13 Subd. 15. **Operating liquidity.** "Operating liquidity" means the money necessary for  
 5.14 an entity to perform normal business operations, including payment of rent, salaries, interest  
 5.15 expenses, and other typical expenses associated with operating the entity.

5.16 Subd. 16. **Residential mortgage loans serviced.** "Residential mortgage loans serviced"  
 5.17 means the specific portfolio or portfolios of residential mortgage loans for which a licensee

139.30 Subd. 6. **External audit.** "External audit" means the formal report, prepared by an  
 139.31 independent certified public accountant, expressing an opinion on whether the financial  
 139.32 statements are:

140.1 (1) presented fairly, in all material aspects, in accordance with the applicable financial  
 140.2 reporting framework; and

140.3 (2) inclusive of an evaluation of the adequacy of a company's internal control structure.

140.4 Subd. 7. **Government-sponsored enterprises.** "Government-sponsored enterprises"  
 140.5 means the Federal National Mortgage Association, and the Federal Home Loan Mortgage  
 140.6 Corporation.

140.7 Subd. 8. **Interim serviced prior to sale.** "Interim serviced prior to sale" means the  
 140.8 collection of a limited number of contractual mortgage payments immediately after  
 140.9 origination on loans held for sale but no longer than a period of ninety days prior to the  
 140.10 loans being sold into the secondary market.

140.11 Subd. 9. **Internal audit.** "Internal audit" means the internal activity of performing  
 140.12 independent and objective assurance and consulting to evaluate and improve the effectiveness  
 140.13 of company operations, risk management, internal controls, and governance processes.

140.14 Subd. 10. **Mortgage-backed security.** "Mortgage-backed security" means a financial  
 140.15 instrument, often debt securities, collateralized by residential mortgages.

140.16 Subd. 11. **Mortgage call report.** "Mortgage call report" means the quarterly or annual  
 140.17 report of residential real estate loan origination, servicing, and financial information  
 140.18 completed by companies licensed in NMLS.

140.19 Subd. 12. **Mortgage servicing rights.** "Mortgage servicing rights" means the contractual  
 140.20 right to service a residential mortgage loan on behalf of the owner of the associated mortgage  
 140.21 in exchange for compensation specified in the servicing contract.

140.22 Subd. 13. **Mortgage servicing rights investor.** "Mortgage servicing rights investor" or  
 140.23 "master servicer" means an entity that (1) invests in and owns mortgage servicing rights;  
 140.24 and (2) relies on subservicers to administer the loans on the mortgage servicing rights  
 140.25 investor's behalf.

140.26 Subd. 14. **Nationwide Multistate Licensing System.** "Nationwide Multistate Licensing  
 140.27 System" or "NMLS" has the meaning given in section 58A.02, subdivision 8.

140.28 Subd. 15. **Operating liquidity.** "Operating liquidity" means the money necessary for  
 140.29 an entity to perform normal business operations, including payment of rent, salaries, interest  
 140.30 expenses, and other typical expenses associated with operating the entity.

140.31 Subd. 16. **Residential mortgage loans serviced.** "Residential mortgage loans serviced"  
 140.32 means the specific portfolio or portfolios of residential mortgage loans for which a licensee

5.18 is contractually responsible to the owner or owners of the mortgage loans for the defined  
5.19 servicing activities.

5.20 Subd. 17. **Reverse mortgage.** "Reverse mortgage" has the meaning given in section  
5.21 47.58, subdivision 1, paragraph (a).

5.22 Subd. 18. **Risk management assessment.** "Risk management assessment" means the  
5.23 functional evaluations performed under the risk management program and the reports  
5.24 provided to the board of directors under the relevant governance protocol.

5.25 Subd. 19. **Risk management program.** "Risk management program" means the policies  
5.26 and procedures designed to identify, measure, monitor, and mitigate risk commensurate  
5.27 with the covered institution's size and complexity.

5.28 Subd. 20. **Servicer.** "Servicer" has the meaning given in section 58.02, subdivision 20.

5.29 Subd. 21. **Servicing liquidity.** "Servicing liquidity" or "liquidity" means the financial  
5.30 resources necessary to manage liquidity risk arising from servicing functions required in  
5.31 acquiring and financing mortgage servicing rights; hedging costs, including margin calls,  
5.32 associated with the mortgage servicing rights asset and financing facilities; and advances  
6.1 or costs of advance financing for principal, interest, taxes, insurance, and any other servicing  
6.2 related advances.

6.3 Subd. 22. **Subservicer.** "Subservicer" means the entity performing routine administration  
6.4 of residential mortgage loans as the agent of a servicer or mortgage servicing rights investor  
6.5 under the terms of a subservicing contract.

6.6 Subd. 23. **Subservicing for others.** "Subservicing for others" means the contractual  
6.7 activities performed by subservicers on behalf of a servicer or mortgage servicing rights  
6.8 investor.

6.9 Subd. 24. **Tangible net worth.** "Tangible net worth" means total equity less receivables  
6.10 due from related entities, less goodwill and other intangibles, less pledged assets.

6.11 Subd. 25. **Whole loans.** "Whole loans" means a loan where a mortgage and the underlying  
6.12 credit risk is owned and held on a balance sheet of the entity possessing all ownership rights.

6.13 Sec. 7. **[58.21] APPLICABILITY; EXCLUSIONS.**

6.14 Subdivision 1. **Applicability.** Sections 58.20 to 58.23 apply to covered institutions. For  
6.15 entities within a holding company or an affiliated group of companies, sections 58.20 to  
6.16 58.23 apply at the covered institution level.

6.17 Subd. 2. **Exclusions.** (a) Sections 58.20 to 58.23 do not apply to (1) persons exempt  
6.18 from licensing under section 58.04 and 58.05; and (2) an institution of the Farm Credit  
6.19 System established and authorized in accordance with the Farm Credit Act of 1971, as  
6.20 amended, United States Code, title 12, section 2001, et seq.

141.1 is contractually responsible to the owner or owners of the mortgage loans for the defined  
141.2 servicing activities.

141.3 Subd. 17. **Reverse mortgage.** "Reverse mortgage" has the meaning given in section  
141.4 47.58, subdivision 1, paragraph (a).

141.5 Subd. 18. **Risk management assessment.** "Risk management assessment" means the  
141.6 functional evaluations performed under the risk management program and the reports  
141.7 provided to the board of directors under the relevant governance protocol.

141.8 Subd. 19. **Risk management program.** "Risk management program" means the policies  
141.9 and procedures designed to identify, measure, monitor, and mitigate risk commensurate  
141.10 with the covered institution's size and complexity.

141.11 Subd. 20. **Servicer.** "Servicer" has the meaning given in section 58.02, subdivision 20.

141.12 Subd. 21. **Servicing liquidity.** "Servicing liquidity" or "liquidity" means the financial  
141.13 resources necessary to manage liquidity risk arising from servicing functions required in  
141.14 acquiring and financing mortgage servicing rights; hedging costs, including margin calls,  
141.15 associated with the mortgage servicing rights asset and financing facilities; and advances  
141.16 or costs of advance financing for principal, interest, taxes, insurance, and any other servicing  
141.17 related advances.

141.18 Subd. 22. **Subservicer.** "Subservicer" means the entity performing routine administration  
141.19 of residential mortgage loans as the agent of a servicer or mortgage servicing rights investor  
141.20 under the terms of a subservicing contract.

141.21 Subd. 23. **Subservicing for others.** "Subservicing for others" means the contractual  
141.22 activities performed by subservicers on behalf of a servicer or mortgage servicing rights  
141.23 investor.

141.24 Subd. 24. **Tangible net worth.** "Tangible net worth" means total equity less receivables  
141.25 due from related entities, less goodwill and other intangibles, less pledged assets.

141.26 Subd. 25. **Whole loans.** "Whole loans" means a loan where a mortgage and the underlying  
141.27 credit risk is owned and held on a balance sheet of the entity possessing all ownership rights.

141.28 Sec. 63. **[58.21] APPLICABILITY; EXCLUSIONS.**

141.29 Subdivision 1. **Applicability.** Sections 58.20 to 58.23 apply to covered institutions. For  
141.30 entities within a holding company or an affiliated group of companies, sections 58.20 to  
141.31 58.23 apply at the covered institution level.

142.1 Subd. 2. **Exclusions.** (a) Sections 58.20 to 58.23 do not apply to (1) persons exempt  
142.2 from licensing under sections 58.04 and 58.05; and (2) an institution of the Farm Credit  
142.3 System established and authorized in accordance with the Farm Credit Act of 1971, as  
142.4 amended, United States Code, title 12, section 2001 et seq.

6.21 (b) Section 58.22 does not apply to (1) servicers that solely own or conduct reverse  
6.22 mortgage servicing; or (2) the reverse mortgage portfolio administered by a covered  
6.23 institution.

6.24 **Sec. 8. [58.22] FINANCIAL CONDITION.**

6.25 Subdivision 1. **Compliance required.** A covered institution must maintain capital and  
6.26 liquidity in compliance with this section.

6.27 Subd. 2. **Generally accepted accounting principles.** For the purposes of complying  
6.28 with the capital and liquidity requirements of this section, all financial data must be  
6.29 determined in accordance with generally accepted accounting principles.

6.30 Subd. 3. **Federal Housing Finance Agency eligibility requirements; policies and**  
6.31 **procedures.** (a) A covered institution that meets the Federal Housing Finance Agency  
7.1 eligibility requirements for enterprise single-family sellers and servicers with respect to  
7.2 capital, net worth ratio, and liquidity meets the requirements of subdivisions 1 and 2,  
7.3 regardless of whether the servicer is approved for government-sponsored enterprise servicing.

7.4 (b) A covered institution must maintain written policies and procedures that implement  
7.5 the capital and servicing liquidity requirements of this section. The policies and procedures  
7.6 implemented pursuant to this paragraph must include a sustainable written methodology to  
7.7 satisfy the requirements of paragraph (a) and must be made available to the commissioner  
7.8 upon request.

7.9 Subd. 4. **Operating liquidity.** (a) A covered institution must maintain sufficient allowable  
7.10 assets for liquidity, in addition to the amounts required for servicing liquidity, to cover  
7.11 normal business operations.

7.12 (b) Covered institutions must have sound cash management and business operating plans  
7.13 that (1) match the complexity of the institution; and (2) ensure normal business operations.

7.14 (c) Management must develop, establish, and implement plans, policies, and procedures  
7.15 to maintain operating liquidity sufficient for the ongoing needs of the covered institution.  
7.16 Plans, policies, and procedures implemented pursuant to this paragraph must contain  
7.17 sustainable, written methodologies to maintain sufficient operating liquidity and must be  
7.18 made available to the commissioner upon request.

7.19 **Sec. 9. [58.23] CORPORATE GOVERNANCE.**

7.20 Subdivision 1. **Board of directors required.** A covered institution must establish and  
7.21 maintain a board of directors that is responsible for oversight of the covered institution.

7.22 Subd. 2. **Board of directors; alternative.** If a covered institution has not received  
7.23 approval to service loans by a government-sponsored enterprise or the Government National  
7.24 Mortgage Association, or if a government-sponsored enterprise or the Government National  
7.25 Mortgage Association has granted approval for a board of directors alternative, the covered

142.5 (b) Section 58.22 does not apply to (1) servicers that solely own or conduct reverse  
142.6 mortgage servicing; or (2) the reverse mortgage portfolio administered by a covered  
142.7 institution.

142.8 **Sec. 64. [58.22] FINANCIAL CONDITION.**

142.9 Subdivision 1. **Compliance required.** A covered institution must maintain capital and  
142.10 liquidity in compliance with this section.

142.11 Subd. 2. **Generally accepted accounting principles.** For the purposes of complying  
142.12 with the capital and liquidity requirements of this section, all financial data must be  
142.13 determined in accordance with generally accepted accounting principles.

142.14 Subd. 3. **Federal Housing Finance Agency eligibility requirements; policies and**  
142.15 **procedures.** (a) A covered institution that meets the Federal Housing Finance Agency  
142.16 eligibility requirements for enterprise single-family sellers and servicers with respect to  
142.17 capital, net worth ratio, and liquidity meets the requirements of subdivisions 1 and 2,  
142.18 regardless of whether the servicer is approved for government-sponsored enterprise servicing.

142.19 (b) A covered institution must maintain written policies and procedures that implement  
142.20 the capital and servicing liquidity requirements of this section. The policies and procedures  
142.21 implemented pursuant to this paragraph must include a sustainable written methodology to  
142.22 satisfy the requirements of paragraph (a) and must be made available to the commissioner  
142.23 upon request.

142.24 Subd. 4. **Operating liquidity.** (a) A covered institution must maintain sufficient allowable  
142.25 assets for liquidity, in addition to the amounts required for servicing liquidity, to cover  
142.26 normal business operations.

142.27 (b) Covered institutions must have sound cash management and business operating plans  
142.28 that (1) match the complexity of the institution; and (2) ensure normal business operations.

142.29 (c) Management must develop, establish, and implement plans, policies, and procedures  
142.30 to maintain operating liquidity sufficient for the ongoing needs of the covered institution.  
142.31 Plans, policies, and procedures implemented pursuant to this paragraph must contain  
142.32 sustainable, written methodologies to maintain sufficient operating liquidity and must be  
142.33 made available to the commissioner upon request.

143.1 **Sec. 65. [58.23] CORPORATE GOVERNANCE.**

143.2 Subdivision 1. **Board of directors required.** A covered institution must establish and  
143.3 maintain a board of directors that is responsible for oversight of the covered institution.

143.4 Subd. 2. **Board of directors; alternative.** If a covered institution has not received  
143.5 approval to service loans by a government-sponsored enterprise or the Government National  
143.6 Mortgage Association, or if a government-sponsored enterprise or the Government National  
143.7 Mortgage Association has granted approval for a board of directors alternative, the covered

7.26 institution may establish a similar body constituted to exercise oversight and fulfill the  
 7.27 responsibilities specified under subdivision 3.

7.28 Subd. 3. **Board of directors; responsibilities.** The board of directors must:

7.29 (1) establish a written corporate governance framework, including appropriate internal  
 7.30 controls designed to monitor corporate governance and assess compliance with the corporate  
 7.31 governance framework, and must make the corporate governance framework available to  
 7.32 the commissioner upon request;

8.1 (2) monitor and ensure the covered institution complies with (i) the corporate governance  
 8.2 framework; and (ii) sections 58.20 to this section; and

8.3 (3) perform accurate and timely regulatory reporting, including filing the mortgage call  
 8.4 report.

8.5 Subd. 4. **Internal audit.** The board of directors must establish internal audit requirements  
 8.6 that (1) are appropriate for the size, complexity, and risk profile of the servicer; and (2)  
 8.7 ensure appropriate independence to provide a reliable evaluation of the servicer's internal  
 8.8 control structure, risk management, and governance. The board-established internal audit  
 8.9 requirements and the results of internal audits must be made available to the commissioner  
 8.10 upon request.

8.11 Subd. 5. **External audit.** (a) A covered institution must receive an external audit,  
 8.12 including audited financial statements and audit reports, that is conducted by an independent  
 8.13 public accountant annually. The external audit must be made available to the commissioner  
 8.14 upon request.

8.15 (b) The external audit must include, at a minimum:

8.16 (1) annual financial statements, including (i) a balance sheet; (ii) a statement of operations  
 8.17 and income statement; and (iii) cash flows, including notes and supplemental schedules  
 8.18 prepared in accordance with generally accepted accounting principles;

8.19 (2) an assessment of the internal control structure;

8.20 (3) a computation of tangible net worth;

8.21 (4) validation of mortgage servicing rights valuation and reserve methodology, if  
 8.22 applicable;

8.23 (5) verification of adequate fidelity and errors and omissions insurance; and

8.24 (6) testing of controls related to risk management activities, including compliance and  
 8.25 stress testing, if applicable.

8.26 Subd. 6. **Risk management.** (a) Under oversight by the board of directors, a covered  
 8.27 institution must establish a risk management program that identifies, measures, monitors,  
 8.28 and controls risk commensurate with the covered institution's size and complexity. The risk

143.8 institution may establish a similar body constituted to exercise oversight and fulfill the  
 143.9 responsibilities specified under subdivision 3.

143.10 Subd. 3. **Board of directors; responsibilities.** The board of directors must:

143.11 (1) establish a written corporate governance framework, including appropriate internal  
 143.12 controls designed to monitor corporate governance and assess compliance with the corporate  
 143.13 governance framework, and must make the corporate governance framework available to  
 143.14 the commissioner upon request;

143.15 (2) monitor and ensure the covered institution complies with (i) the corporate governance  
 143.16 framework; and (ii) sections 58.20 to this section; and

143.17 (3) perform accurate and timely regulatory reporting, including filing the mortgage call  
 143.18 report.

143.19 Subd. 4. **Internal audit.** The board of directors must establish internal audit requirements  
 143.20 that (1) are appropriate for the size, complexity, and risk profile of the servicer; and (2)  
 143.21 ensure appropriate independence to provide a reliable evaluation of the servicer's internal  
 143.22 control structure, risk management, and governance. The board-established internal audit  
 143.23 requirements and the results of internal audits must be made available to the commissioner  
 143.24 upon request.

143.25 Subd. 5. **External audit.** (a) A covered institution must receive an external audit,  
 143.26 including audited financial statements and audit reports, that is conducted by an independent  
 143.27 public accountant annually. The external audit must be made available to the commissioner  
 143.28 upon request.

143.29 (b) The external audit must include, at a minimum:

143.30 (1) annual financial statements, including (i) a balance sheet; (ii) a statement of operations  
 143.31 and income statement; and (iii) cash flows, including notes and supplemental schedules  
 143.32 prepared in accordance with generally accepted accounting principles;

144.1 (2) an assessment of the internal control structure;

144.2 (3) a computation of tangible net worth;

144.3 (4) validation of mortgage servicing rights valuation and reserve methodology, if  
 144.4 applicable;

144.5 (5) verification of adequate fidelity and errors and omissions insurance; and

144.6 (6) testing of controls related to risk management activities, including compliance and  
 144.7 stress testing, if applicable.

144.8 Subd. 6. **Risk management.** (a) Under oversight by the board of directors, a covered  
 144.9 institution must establish a risk management program that identifies, measures, monitors,  
 144.10 and controls risk commensurate with the covered institution's size and complexity. The risk

8.29 management program must have appropriate processes and models in place to measure,  
 8.30 monitor, and mitigate financial risks and changes to the servicer's risk profile and assets  
 8.31 being serviced.

9.1 (b) The size and risk management program must be scaled to the size and complexity  
 9.2 of the organization, including but not limited to:

9.3 (1) the potential that a borrower or counterparty fails to perform on an obligation;

9.4 (2) the potential that the servicer (i) is unable to meet the servicer's obligations as the  
 9.5 obligations come due as a result of an inability to liquidate assets or obtain adequate funding;  
 9.6 or (ii) cannot easily unwind or offset specific exposures;

9.7 (3) the risk resulting from (i) inadequate or failed internal processes, people, and systems;  
 9.8 or (ii) external events;

9.9 (4) the risk to the servicer's condition resulting from adverse movements in market rates  
 9.10 or prices;

9.11 (5) the risk of regulatory sanctions, fines, penalties, or losses resulting from the failure  
 9.12 to comply with laws, rules, regulations, or other supervisory requirements that apply to the  
 9.13 servicer;

9.14 (6) the potential that legal proceedings against the institution resulting in unenforceable  
 9.15 contracts, lawsuits, legal sanctions, or adverse judgments can disrupt or otherwise negatively  
 9.16 affect the servicer's operations or condition; and

9.17 (7) the risk to earnings and capital arising from negative publicity regarding the servicer's  
 9.18 business practices.

9.19 Subd. 7. **Risk management assessment.** A covered institution must conduct a risk  
 9.20 management assessment on an annual basis. The risk management assessment must conclude  
 9.21 with a formal report to the board of directors and must be made available to the commissioner  
 9.22 upon request. A covered institution must maintain evidence of risk management activities  
 9.23 throughout the year and must include the evidence of risk management activities as part of  
 9.24 the report. The risk management assessment must include issue findings and the response  
 9.25 or action taken to address the issue findings.

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92.20 Sec. 49. **[58B.011] STUDENT LOAN ADVOCATE.**

92.21 Subdivision 1. **Designation of a student loan advocate.** The commissioner of commerce  
 92.22 must designate a student loan advocate within the Department of Commerce to provide  
 92.23 timely assistance to borrowers and to effectuate this chapter.

92.24 Subd. 2. **Duties.** The student loan advocate has the following duties:

144.11 management program must have appropriate processes and models in place to measure,  
 144.12 monitor, and mitigate financial risks and changes to the servicer's risk profile and assets  
 144.13 being serviced.

144.14 (b) The risk management program must be scaled to the size and complexity of the  
 144.15 organization, including but not limited to:

144.16 (1) the potential that a borrower or counterparty fails to perform on an obligation;

144.17 (2) the potential that the servicer (i) is unable to meet the servicer's obligations as the  
 144.18 obligations come due as a result of an inability to liquidate assets or obtain adequate funding;  
 144.19 or (ii) cannot easily unwind or offset specific exposures;

144.20 (3) the risk resulting from (i) inadequate or failed internal processes, people, and systems;  
 144.21 or (ii) external events;

144.22 (4) the risk to the servicer's condition resulting from adverse movements in market rates  
 144.23 or prices;

144.24 (5) the risk of regulatory sanctions, fines, penalties, or losses resulting from the failure  
 144.25 to comply with laws, rules, regulations, or other supervisory requirements that apply to the  
 144.26 servicer;

144.27 (6) the potential that legal proceedings against the institution resulting in unenforceable  
 144.28 contracts, lawsuits, legal sanctions, or adverse judgments can disrupt or otherwise negatively  
 144.29 affect the servicer's operations or condition; and

144.30 (7) the risk to earnings and capital arising from negative publicity regarding the servicer's  
 144.31 business practices.

145.1 Subd. 7. **Risk management assessment.** A covered institution must conduct a risk  
 145.2 management assessment on an annual basis. The risk management assessment must conclude  
 145.3 with a formal report to the board of directors and must be made available to the commissioner  
 145.4 upon request. A covered institution must maintain evidence of risk management activities  
 145.5 throughout the year and must include the evidence of risk management activities as part of  
 145.6 the report. The risk management assessment must include issue findings and the response  
 145.7 or action taken to address the issue findings.

145.8 Sec. 66. **[58B.011] STUDENT LOAN ADVOCATE.**

145.9 Subdivision 1. **Designation of a student loan advocate.** The commissioner of commerce  
 145.10 must designate a student loan advocate within the Department of Commerce to provide  
 145.11 timely assistance to borrowers and to effectuate this chapter.

145.12 Subd. 2. **Duties.** The student loan advocate has the following duties:



92.25 (1) receive, review, and attempt to resolve complaints from borrowers, including but  
 92.26 not limited to attempts to resolve borrower complaints in collaboration with institutions of  
 92.27 higher education, student loan servicers, and any other participants in student loan lending;

92.28 (2) compile and analyze data on borrower complaints received under clause (1);

92.29 (3) help borrowers understand the rights and responsibilities under the terms of student  
 92.30 loans;

93.1 (4) provide information to the public, state agencies, legislators, and relevant stakeholders  
 93.2 regarding the problems and concerns of borrowers;

93.3 (5) make recommendations to resolve the problems of borrowers;

93.4 (6) analyze and monitor the development and implementation of federal, state, and local  
 93.5 laws, regulations, and policies relating to borrowers, and recommend any changes deemed  
 93.6 necessary;

93.7 (7) review the complete student loan history for any borrower who has provided written  
 93.8 consent to conduct the review;

93.9 (8) increase public awareness that the advocate is available to assist in resolving the  
 93.10 student loan servicing concerns of potential and actual borrowers, institutions of higher  
 93.11 education, student loan servicers, and any other participant in student loan lending; and

93.12 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under  
 93.13 this section.

93.14 Subd. 3. **Student loan education course.** The advocate must establish and maintain a  
 93.15 borrower education course. The course must include educational presentations and materials  
 93.16 regarding important topics in student loans, including but not limited to:

93.17 (1) the meaning of important terminology used in student lending;

93.18 (2) documentation requirements;

93.19 (3) monthly payment obligations;

93.20 (4) income-based repayment options;

93.21 (5) the availability of state and federal loan forgiveness programs; and

93.22 (6) disclosure requirements.

93.23 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report  
 93.24 to the legislative committees with jurisdiction over commerce and higher education. The  
 93.25 report must describe the advocate's implementation of this section, the outcomes achieved  
 93.26 by the advocate during the previous two years, and recommendations to improve the  
 93.27 regulation of student loan servicers.

145.13 (1) receive, review, and attempt to resolve complaints from borrowers, including but  
 145.14 not limited to attempts to resolve borrower complaints in collaboration with institutions of  
 145.15 higher education, student loan servicers, and any other participants in student loan lending;

145.16 (2) compile and analyze data on borrower complaints received under clause (1);

145.17 (3) help borrowers understand the rights and responsibilities under the terms of student  
 145.18 loans;

145.19 (4) provide information to the public, state agencies, legislators, and relevant stakeholders  
 145.20 regarding the problems and concerns of borrowers;

145.21 (5) make recommendations to resolve the problems of borrowers;

145.22 (6) analyze and monitor the development and implementation of federal, state, and local  
 145.23 laws, regulations, and policies relating to borrowers, and recommend any changes deemed  
 145.24 necessary;

145.25 (7) review the complete student loan history for any borrower who has provided written  
 145.26 consent to conduct the review;

145.27 (8) increase public awareness that the advocate is available to assist in resolving the  
 145.28 student loan servicing concerns of potential and actual borrowers, institutions of higher  
 145.29 education, student loan servicers, and any other participant in student loan lending; and

145.30 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under  
 145.31 this section.

146.1 Subd. 3. **Student loan education course.** The advocate must establish and maintain a  
 146.2 borrower education course. The course must include educational presentations and materials  
 146.3 regarding important topics in student loans, including but not limited to:

146.4 (1) the meaning of important terminology used in student lending;

146.5 (2) documentation requirements;

146.6 (3) monthly payment obligations;

146.7 (4) income-based repayment options;

146.8 (5) the availability of state and federal loan forgiveness programs; and

146.9 (6) disclosure requirements.

146.10 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report  
 146.11 to the legislative committees with **primary** jurisdiction over commerce and higher education.  
 146.12 The report must describe the advocate's implementation of this section, the outcomes achieved  
 146.13 by the advocate during the previous two years, and recommendations to improve the  
 146.14 regulation of student loan servicers.

## S2219-2

20.10 Sec. 20. Minnesota Statutes 2022, section 80A.50, is amended to read:

20.11 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**  
20.12 **CORPORATE OFFERING REGISTRATION.**

20.13 (a) **Federal covered securities.**

20.14 (1) **Required filing of records.** With respect to a federal covered security, as defined  
20.15 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not  
20.16 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued  
20.17 under this chapter may require the filing of any or all of the following records:

20.18 (A) before the initial offer of a federal covered security in this state, all records that are  
20.19 part of a federal registration statement filed with the Securities and Exchange Commission  
20.20 under the Securities Act of 1933 and a consent to service of process complying with section  
20.21 80A.88 signed by the issuer;

20.22 (B) after the initial offer of the federal covered security in this state, all records that are  
20.23 part of an amendment to a federal registration statement filed with the Securities and  
20.24 Exchange Commission under the Securities Act of 1933; and

20.25 (C) to the extent necessary or appropriate to compute fees, a report of the value of the  
20.26 federal covered securities sold or offered to persons present in this state, if the sales data  
20.27 are not included in records filed with the Securities and Exchange Commission.

20.28 (2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is  
20.29 effective for one year commencing on the later of the notice filing or the effectiveness of  
20.30 the offering filed with the Securities and Exchange Commission. On or before expiration,  
20.31 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with  
20.32 the Securities and Exchange Commission that are required by rule or order under this chapter  
21.1 to be filed. A previously filed consent to service of process complying with section 80A.88  
21.2 may be incorporated by reference in a renewal. A renewed notice filing becomes effective  
21.3 upon the expiration of the filing being renewed.

21.4 (3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With  
21.5 respect to a security that is a federal covered security under Section 18(b)(4)(D) of the  
21.6 Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may  
21.7 require a notice filing by or on behalf of an issuer to include a copy of Form D, including  
21.8 the Appendix, as promulgated by the Securities and Exchange Commission, and a consent  
21.9 to service of process complying with section 80A.88 signed by the issuer not later than 15  
21.10 days after the first sale of the federal covered security in this state.

21.11 (4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the  
21.12 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is  
21.13 a failure to comply with a notice or fee requirement of this section, the administrator may  
21.14 issue a stop order suspending the offer and sale of a federal covered security in this state.

146.15 Sec. 67. Minnesota Statutes 2022, section 80A.50, is amended to read:

146.16 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**  
146.17 **CORPORATE OFFERING REGISTRATION.**

146.18 (a) **Federal covered securities.**

146.19 (1) **Required filing of records.** With respect to a federal covered security, as defined  
146.20 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not  
146.21 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued  
146.22 under this chapter may require the filing of any or all of the following records:

146.23 (A) before the initial offer of a federal covered security in this state, all records that are  
146.24 part of a federal registration statement filed with the Securities and Exchange Commission  
146.25 under the Securities Act of 1933 and a consent to service of process complying with section  
146.26 80A.88 signed by the issuer;

146.27 (B) after the initial offer of the federal covered security in this state, all records that are  
146.28 part of an amendment to a federal registration statement filed with the Securities and  
146.29 Exchange Commission under the Securities Act of 1933; and

147.1 (C) to the extent necessary or appropriate to compute fees, a report of the value of the  
147.2 federal covered securities sold or offered to persons present in this state, if the sales data  
147.3 are not included in records filed with the Securities and Exchange Commission.

147.4 (2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is  
147.5 effective for one year commencing on the later of the notice filing or the effectiveness of  
147.6 the offering filed with the Securities and Exchange Commission. On or before expiration,  
147.7 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with  
147.8 the Securities and Exchange Commission that are required by rule or order under this chapter  
147.9 to be filed. A previously filed consent to service of process complying with section 80A.88  
147.10 may be incorporated by reference in a renewal. A renewed notice filing becomes effective  
147.11 upon the expiration of the filing being renewed.

147.12 (3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With  
147.13 respect to a security that is a federal covered security under Section 18(b)(4)(D) of the  
147.14 Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may  
147.15 require a notice filing by or on behalf of an issuer to include a copy of Form D, including  
147.16 the Appendix, as promulgated by the Securities and Exchange Commission, and a consent  
147.17 to service of process complying with section 80A.88 signed by the issuer not later than 15  
147.18 days after the first sale of the federal covered security in this state.

147.19 (4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the  
147.20 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is  
147.21 a failure to comply with a notice or fee requirement of this section, the administrator may  
147.22 issue a stop order suspending the offer and sale of a federal covered security in this state.

21.15 If the deficiency is corrected, the stop order is void as of the time of its issuance and no  
 21.16 penalty may be imposed by the administrator.

21.17 **(b) Small corporation offering registration.**

21.18 **(1) Registration required.** A security meeting the conditions set forth in this section  
 21.19 may be registered as set forth in this section.

21.20 **(2) Availability.** Registration under this section is available only to the issuer of securities  
 21.21 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.  
 21.22 The issuer must be organized under the laws of one of the states or possessions of the United  
 21.23 States. The securities offered must be exempt from registration under the Securities Act of  
 21.24 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

21.25 **(3) Disqualification.** Registration under this section is not available to any of the  
 21.26 following issuers:

21.27 **(A)** an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities  
 21.28 Exchange Act of 1934;

21.29 **(B)** an investment company;

21.30 **(C)** a development stage company that either has no specific business plan or purpose  
 21.31 or has indicated that its business plan is to engage in a merger or acquisition with an  
 21.32 unidentified company or companies or other entity or person;

22.1 **(D)** an issuer if the issuer or any of its predecessors, officers, directors, governors,  
 22.2 partners, ten percent stock or equity holders, promoters, or any selling agents of the securities  
 22.3 to be offered, or any officer, director, governor, or partner of the selling agent:

22.4 **(i)** has filed a registration statement that is the subject of a currently effective registration  
 22.5 stop order entered under a federal or state securities law within five years before the filing  
 22.6 of the small corporate offering registration application;

22.7 **(ii)** has been convicted within five years before the filing of the small corporate offering  
 22.8 registration application of a felony or misdemeanor in connection with the offer, purchase,  
 22.9 or sale of a security or a felony involving fraud or deceit, including, but not limited to,  
 22.10 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to  
 22.11 defraud;

22.12 **(iii)** is currently subject to a state administrative enforcement order or judgment entered  
 22.13 by a state securities administrator or the Securities and Exchange Commission within five  
 22.14 years before the filing of the small corporate offering registration application, or is subject  
 22.15 to a federal or state administrative enforcement order or judgment in which fraud or deceit,  
 22.16 including, but not limited to, making untrue statements of material facts or omitting to state  
 22.17 material facts, was found and the order or judgment was entered within five years before  
 22.18 the filing of the small corporate offering registration application;

147.23 If the deficiency is corrected, the stop order is void as of the time of its issuance and no  
 147.24 penalty may be imposed by the administrator.

147.25 **(b) Small corporation offering registration.**

147.26 **(1) Registration required.** A security meeting the conditions set forth in this section  
 147.27 may be registered as set forth in this section.

147.28 **(2) Availability.** Registration under this section is available only to the issuer of securities  
 147.29 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.  
 147.30 The issuer must be organized under the laws of one of the states or possessions of the United  
 147.31 States. The securities offered must be exempt from registration under the Securities Act of  
 147.32 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

147.33 **(3) Disqualification.** Registration under this section is not available to any of the  
 147.34 following issuers:

148.1 **(A)** an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities  
 148.2 Exchange Act of 1934;

148.3 **(B)** an investment company;

148.4 **(C)** a development stage company that either has no specific business plan or purpose  
 148.5 or has indicated that its business plan is to engage in a merger or acquisition with an  
 148.6 unidentified company or companies or other entity or person;

148.7 **(D)** an issuer if the issuer or any of its predecessors, officers, directors, governors,  
 148.8 partners, ten percent stock or equity holders, promoters, or any selling agents of the securities  
 148.9 to be offered, or any officer, director, governor, or partner of the selling agent:

148.10 **(i)** has filed a registration statement that is the subject of a currently effective registration  
 148.11 stop order entered under a federal or state securities law within five years before the filing  
 148.12 of the small corporate offering registration application;

148.13 **(ii)** has been convicted within five years before the filing of the small corporate offering  
 148.14 registration application of a felony or misdemeanor in connection with the offer, purchase,  
 148.15 or sale of a security or a felony involving fraud or deceit, including, but not limited to,  
 148.16 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to  
 148.17 defraud;

148.18 **(iii)** is currently subject to a state administrative enforcement order or judgment entered  
 148.19 by a state securities administrator or the Securities and Exchange Commission within five  
 148.20 years before the filing of the small corporate offering registration application, or is subject  
 148.21 to a federal or state administrative enforcement order or judgment in which fraud or deceit,  
 148.22 including, but not limited to, making untrue statements of material facts or omitting to state  
 148.23 material facts, was found and the order or judgment was entered within five years before  
 148.24 the filing of the small corporate offering registration application;

22.19 (iv) is currently subject to an order, judgment, or decree of a court of competent  
 22.20 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or  
 22.21 decree of a court of competent jurisdiction permanently restraining or enjoining the party  
 22.22 from engaging in or continuing any conduct or practice in connection with the purchase or  
 22.23 sale of any security or involving the making of a false filing with a state or with the Securities  
 22.24 and Exchange Commission entered within five years before the filing of the small corporate  
 22.25 offering registration application; or

22.26 (v) is subject to a state's administrative enforcement order, or judgment that prohibits,  
 22.27 denies, or revokes the use of an exemption for registration in connection with the offer,  
 22.28 purchase, or sale of securities,

22.29 (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification  
 22.30 is duly licensed or registered to conduct securities-related business in the state in which the  
 22.31 administrative order or judgment was entered against the person or if the dealer employing  
 22.32 the party is licensed or registered in this state and the form BD filed in this state discloses  
 22.33 the order, conviction, judgment, or decree relating to the person, and

23.1 (II) except that the disqualification under this subdivision is automatically waived if the  
 23.2 state securities administrator or federal agency that created the basis for disqualification  
 23.3 determines upon a showing of good cause that it is not necessary under the circumstances  
 23.4 to deny the registration.

23.5 **(4) Filing and effectiveness of registration statement.** A small corporate offering  
 23.6 registration statement must be filed with the administrator. If no stop order is in effect and  
 23.7 no proceeding is pending under section 80A.54, such registration statement shall become  
 23.8 effective automatically at the close of business on the 20th day after filing of the registration  
 23.9 statement or the last amendment of the registration statement or at such earlier time as the  
 23.10 administrator may designate by rule or order. For the purposes of a nonissuer transaction,  
 23.11 other than by an affiliate of the issuer, all outstanding securities of the same class identified  
 23.12 in the small corporate offering registration statement as a security registered under this  
 23.13 chapter are considered to be registered while the small corporate offering registration  
 23.14 statement is effective. A small corporate offering registration statement is effective for one  
 23.15 year after its effective date or for any longer period designated in an order under this chapter.  
 23.16 A small corporate offering registration statement may be withdrawn only with the approval  
 23.17 of the administrator.

23.18 **(5) Contents of registration statement.** A small corporate offering registration statement  
 23.19 under this section shall be on Form U-7, including exhibits required by the instructions  
 23.20 thereto, as adopted by the North American Securities Administrators Association, or such  
 23.21 alternative form as may be designated by the administrator by rule or order and must include:

23.22 (A) a consent to service of process complying with section 80A.88;

23.23 (B) a statement of the type and amount of securities to be offered and the amount of  
 23.24 securities to be offered in this state;

148.25 (iv) is currently subject to an order, judgment, or decree of a court of competent  
 148.26 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or  
 148.27 decree of a court of competent jurisdiction permanently restraining or enjoining the party  
 148.28 from engaging in or continuing any conduct or practice in connection with the purchase or  
 148.29 sale of any security or involving the making of a false filing with a state or with the Securities  
 148.30 and Exchange Commission entered within five years before the filing of the small corporate  
 148.31 offering registration application; or

149.1 (v) is subject to a state's administrative enforcement order, or judgment that prohibits,  
 149.2 denies, or revokes the use of an exemption for registration in connection with the offer,  
 149.3 purchase, or sale of securities,

149.4 (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification  
 149.5 is duly licensed or registered to conduct securities-related business in the state in which the  
 149.6 administrative order or judgment was entered against the person or if the dealer employing  
 149.7 the party is licensed or registered in this state and the form BD filed in this state discloses  
 149.8 the order, conviction, judgment, or decree relating to the person, and

149.9 (II) except that the disqualification under this subdivision is automatically waived if the  
 149.10 state securities administrator or federal agency that created the basis for disqualification  
 149.11 determines upon a showing of good cause that it is not necessary under the circumstances  
 149.12 to deny the registration.

149.13 **(4) Filing and effectiveness of registration statement.** A small corporate offering  
 149.14 registration statement must be filed with the administrator. If no stop order is in effect and  
 149.15 no proceeding is pending under section 80A.54, such registration statement shall become  
 149.16 effective automatically at the close of business on the 20th day after filing of the registration  
 149.17 statement or the last amendment of the registration statement or at such earlier time as the  
 149.18 administrator may designate by rule or order. For the purposes of a nonissuer transaction,  
 149.19 other than by an affiliate of the issuer, all outstanding securities of the same class identified  
 149.20 in the small corporate offering registration statement as a security registered under this  
 149.21 chapter are considered to be registered while the small corporate offering registration  
 149.22 statement is effective. A small corporate offering registration statement is effective for one  
 149.23 year after its effective date or for any longer period designated in an order under this chapter.  
 149.24 A small corporate offering registration statement may be withdrawn only with the approval  
 149.25 of the administrator.

149.26 **(5) Contents of registration statement.** A small corporate offering registration statement  
 149.27 under this section shall be on Form U-7, including exhibits required by the instructions  
 149.28 thereto, as adopted by the North American Securities Administrators Association, or such  
 149.29 alternative form as may be designated by the administrator by rule or order and must include:

149.30 (A) a consent to service of process complying with section 80A.88;

149.31 (B) a statement of the type and amount of securities to be offered and the amount of  
 149.32 securities to be offered in this state;

23.25 (C) a specimen or copy of the security being registered, unless the security is  
 23.26 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial  
 23.27 equivalents in effect, and a copy of any indenture or other instrument covering the security  
 23.28 to be registered;

23.29 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the  
 23.30 securities being registered which states whether the securities, when sold, will be validly  
 23.31 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

23.32 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a  
 23.33 registration statement or similar filing has been made in connection with the offering  
 23.34 including information as to effectiveness of each such filing; and (iii) in which a stop order  
 24.1 or similar proceeding has been entered or in which proceedings or actions seeking such an  
 24.2 order are pending;

24.3 (F) a copy of the offering document proposed to be delivered to offerees; and

24.4 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales  
 24.5 literature intended as of the effective date to be used in connection with the offering and  
 24.6 any solicitation of interest used in compliance with section 80A.46(17)(B).

24.7 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator  
 24.8 must be delivered to each person purchasing the securities prior to sale of the securities to  
 24.9 such person.

24.10 (c) **Offering limit.** Offers and sales of securities under a small corporate offering  
 24.11 registration as set forth in this section are allowed up to the limit prescribed by Code of  
 24.12 Federal Regulations, title 17, part 230.504(b)(2), as amended.

48.29 Sec. 44. **[332.71] DEFINITIONS.**

48.30 Subdivision 1. Scope. For the purposes of sections 332.71 to 332.75, the definitions in  
 48.31 this section have the meanings given them.

49.1 Subd. 2. Coerced debt. (a) "Coerced debt" means all or a portion of debt in a debtor's  
 49.2 name that has been incurred as a result of:

49.3 (1) the use of the debtor's personal information without the debtor's knowledge,  
 49.4 authorization, or consent;

49.5 (2) the use or threat of force, intimidation, undue influence, harassment, fraud, deception,  
 49.6 coercion, or other similar means against the debtor; or

49.7 (3) economic abuse perpetrated against the debtor.

49.8 (b) Coerced debt does not include secured debt.

149.33 (C) a specimen or copy of the security being registered, unless the security is  
 149.34 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial  
 150.1 equivalents in effect, and a copy of any indenture or other instrument covering the security  
 150.2 to be registered;

150.3 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the  
 150.4 securities being registered which states whether the securities, when sold, will be validly  
 150.5 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

150.6 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a  
 150.7 registration statement or similar filing has been made in connection with the offering  
 150.8 including information as to effectiveness of each such filing; and (iii) in which a stop order  
 150.9 or similar proceeding has been entered or in which proceedings or actions seeking such an  
 150.10 order are pending;

150.11 (F) a copy of the offering document proposed to be delivered to offerees; and

150.12 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales  
 150.13 literature intended as of the effective date to be used in connection with the offering and  
 150.14 any solicitation of interest used in compliance with section 80A.46(17)(B).

150.15 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator  
 150.16 must be delivered to each person purchasing the securities prior to sale of the securities to  
 150.17 such person.

150.18 (c) **Offering limit.** Offers and sales of securities under a small corporate offering  
 150.19 registration as set forth in this section are allowed up to the limit prescribed by Code of  
 150.20 Federal Regulations, title 17, part 230.504(b)(2), as amended.

150.21 Sec. 68. **[332.71] DEFINITIONS.**

150.22 Subdivision 1. Scope. For the purposes of sections 332.71 to 332.75, the definitions in  
 150.23 this section have the meanings given them.

150.24 Subd. 2. Coerced debt. (a) "Coerced debt" means all or a portion of debt in a debtor's  
 150.25 name that has been incurred as a result of:

150.26 (1) the use of the debtor's personal information without the debtor's knowledge,  
 150.27 authorization, or consent;

150.28 (2) the use or threat of force, intimidation, undue influence, harassment, fraud, deception,  
 150.29 coercion, or other similar means against the debtor; or

150.30 (3) economic abuse perpetrated against the debtor.

150.31 (b) Coerced debt does not include secured debt.

49.9 Subd. 3. **Creditor.** "Creditor" means a person, or the person's successor, assignee, or  
 49.10 agent, claiming to own or have the right to collect a debt owed by the debtor.

49.11 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,  
 49.12 harassment, or sex or labor trafficking, and (2) owes coerced debt.

49.13 Subd. 5. **Documentation.** "Documentation" means a writing that identifies a debt or a  
 49.14 portion of a debt as coerced debt, describes the circumstances under which the coerced debt  
 49.15 was incurred, and takes the form of:

49.16 (1) a police report;

49.17 (2) a Federal Trade Commission identity theft report;

49.18 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more  
 49.19 debts are coerced; or

49.20 (4) a sworn written certification.

49.21 Subd. 6. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01,  
 49.22 subdivision 2.

49.23 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic  
 49.24 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a victim  
 49.25 of domestic abuse, harassment, or sex or labor trafficking to acquire, use, or maintain  
 49.26 economic resources, including but not limited to:

49.27 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or  
 49.28 financial information;

49.29 (2) interfering with the victim's ability to work and earn wages; or

49.30 (3) exerting undue influence over a person's financial and economic behavior or decisions.

50.1 Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.

50.2 Subd. 9. **Labor trafficking.** "Labor trafficking" has the meaning given in section 609.281,  
 50.3 subdivision 5.

50.4 Subd. 10. **Qualified third-party professional.** "Qualified third-party professional"  
 50.5 means:

50.6 (1) a domestic abuse advocate, as defined under section 595.02, subdivision 1, paragraph  
 50.7 (l);

50.8 (2) a sexual assault counselor, as defined under section 595.02, subdivision 1, paragraph  
 50.9 (k);

50.10 (3) a licensed health care provider, mental health care provider, social worker, or marriage  
 50.11 and family therapist; or

151.1 Subd. 3. **Creditor.** "Creditor" means a person, or the person's successor, assignee, or  
 151.2 agent, claiming to own or have the right to collect a debt owed by the debtor.

151.3 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,  
 151.4 harassment, or sex or labor trafficking, and (2) owes coerced debt.

151.5 Subd. 5. **Documentation.** "Documentation" means a writing that identifies a debt or a  
 151.6 portion of a debt as coerced debt, describes the circumstances under which the coerced debt  
 151.7 was incurred, and takes the form of:

151.8 (1) a police report;

151.9 (2) a Federal Trade Commission identity theft report;

151.10 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more  
 151.11 debts are coerced; or

151.12 (4) a sworn written certification.

151.13 Subd. 6. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01,  
 151.14 subdivision 2.

151.15 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic  
 151.16 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a victim  
 151.17 of domestic abuse, harassment, or sex or labor trafficking to acquire, use, or maintain  
 151.18 economic resources, including but not limited to:

151.19 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or  
 151.20 financial information;

151.21 (2) interfering with the victim's ability to work and earn wages; or

151.22 (3) exerting undue influence over a person's financial and economic behavior or decisions.

151.23 Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.

151.24 Subd. 9. **Labor trafficking.** "Labor trafficking" has the meaning given in section 609.281,  
 151.25 subdivision 5.

151.26 Subd. 10. **Qualified third-party professional.** "Qualified third-party professional"  
 151.27 means:

151.28 (1) a domestic abuse advocate, as defined under section 595.02, subdivision 1, paragraph  
 151.29 (l);

151.30 (2) a sexual assault counselor, as defined under section 595.02, subdivision 1, paragraph  
 151.31 (k);

152.1 (3) a licensed health care provider, mental health care provider, social worker, or marriage  
 152.2 and family therapist; or

50.12 (4) a nonprofit organization in Minnesota that provides direct assistance to victims of  
50.13 domestic abuse, sexual assault, or sex or labor trafficking.

50.14 Subd. 11. **Sex trafficking.** "Sex trafficking" has the meaning given in section 609.321,  
50.15 subdivision 7a.

50.16 Subd. 12. **Sworn written certification.** "Sworn written certification" means a statement  
50.17 by a qualified third-party professional in the following form:

50.18 CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

50.19 I, ..... (name of qualified third-party professional), do hereby certify under  
50.20 penalty of perjury as follows:

50.21 1. I am a licensed health care provider, mental health care provider, social worker,  
50.22 marriage and family therapist, domestic abuse advocate, as that term is defined in Minnesota  
50.23 Statutes, section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that  
50.24 term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), or a  
50.25 staff member of a nonprofit organization that provides direct assistance to victims of domestic  
50.26 abuse, sexual assault, or sex or labor trafficking, who has had in-person contact or  
50.27 face-to-face contact through an electronic medium with ..... (name of debtor).

50.28 2. Based on my professional interactions with the debtor and information presented to  
50.29 me in my professional capacity, I have a reasonable basis to believe ..... (name of  
50.30 debtor) is a victim of domestic abuse, harassment, sex trafficking or labor trafficking and  
50.31 has incurred all or a portion of debt that is coerced debt, as that term is defined in Minnesota  
50.32 Statutes, section 332.71, subdivision 2.

51.1 3. Based on my professional interactions with the debtor and on information presented  
51.2 to me, I have reason to believe that the circumstances under which the coerced debt was  
51.3 incurred are as follows:

51.4 4. The following debts or portions of the debts have been identified to me as coerced:

51.5 I attest that the foregoing is true and correct.

51.6 (Printed name of qualified third party)

51.7 (Signature of qualified third party)

51.8 (Business address and business telephone)

51.9 (Date)

51.10 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
51.11 incurred on or after that date.

152.3 (4) a nonprofit organization in Minnesota that provides direct assistance to victims of  
152.4 domestic abuse, sexual assault, or sex or labor trafficking.

152.5 Subd. 11. **Sex trafficking.** "Sex trafficking" has the meaning given in section 609.321,  
152.6 subdivision 7a.

152.7 Subd. 12. **Sworn written certification.** "Sworn written certification" means a statement  
152.8 by a qualified third-party professional in the following form:

152.9 CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

152.10 I, ..... (name of qualified third-party professional), do hereby certify under  
152.11 penalty of perjury as follows:

152.12 1. I am a licensed health care provider, mental health care provider, social worker,  
152.13 marriage and family therapist, domestic abuse advocate, as that term is defined in Minnesota  
152.14 Statutes, section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that  
152.15 term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), or a  
152.16 staff member of a nonprofit organization that provides direct assistance to victims of domestic  
152.17 abuse, sexual assault, or sex or labor trafficking, who has had in-person contact or  
152.18 face-to-face contact through an electronic medium with ..... (name of debtor).

152.19 2. Based on my professional interactions with the debtor and information presented to  
152.20 me in my professional capacity, I have a reasonable basis to believe ..... (name of  
152.21 debtor) is a victim of domestic abuse, harassment, sex trafficking or labor trafficking and  
152.22 has incurred all or a portion of debt that is coerced debt, as that term is defined in Minnesota  
152.23 Statutes, section 332.71, subdivision 2.

152.24 3. Based on my professional interactions with the debtor and on information presented  
152.25 to me, I have reason to believe that the circumstances under which the coerced debt was  
152.26 incurred are as follows:

152.27 4. The following debts or portions of the debts have been identified to me as coerced:

152.28 I attest that the foregoing is true and correct.

152.29 (Printed name of qualified third party)

152.30 (Signature of qualified third party)

152.31 (Business address and business telephone)

153.1 (Date)

153.2 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2024, and  
153.3 applies to all debts incurred on or after that date.

51.12 Sec. 45. **[332.72] COERCED DEBT PROHIBITED.**51.13 A person is prohibited from causing another person to incur coerced debt.51.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
51.15 incurred on or after that date.51.16 Sec. 46. **[332.73] NOTICE TO CREDITOR OF COERCED DEBT.**51.17 Subdivision 1. Notification. (a) Before taking an affirmative action under section 332.74,  
51.18 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
51.19 which the creditor demands payment is coerced debt and request that the creditor cease all  
51.20 collection activity on the coerced debt. The notification and request must be in writing and  
51.21 include documentation. The creditor, within 30 days of the date the notification and request  
51.22 is received, must notify the debtor in writing of the creditor's decision to either immediately  
51.23 cease all collection activity or continue to pursue collection.51.24 (b) If a creditor ceases collection but subsequently decides to resume collection activity,  
51.25 the creditor must notify the debtor ten days prior to the date the collection activity resumes.51.26 (c) A debtor must not proceed with an action under section 332.74 until the 30-day  
51.27 period provided under paragraph (a) has expired.51.28 Subd. 2. Sale or assignment of coerced debt. A creditor may sell or assign a debt for  
51.29 which the creditor has been notified is coerced debt to another party if the creditor selling  
52.1 or assigning the debt includes notification to the buyer or assignee that the debtor has asserted  
52.2 the debt is coerced debt.52.3 Subd. 3. No inference upon cessation of collection activity. The fact that a creditor  
52.4 ceases collection activity under this section or section 332.74 does not create an inference  
52.5 or presumption regarding the validity or invalidity of a debt for which a debtor is liable or  
52.6 not liable. The exercise or nonexercise of rights under this section is not a waiver of any  
52.7 other debtor or creditor rights or defenses.52.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
52.9 incurred on or after that date.52.10 Sec. 47. **[332.74] DEBTOR REMEDIES.**52.11 Subdivision 1. Right to petition for declaration and injunction. A debtor alleging  
52.12 violation of section 332.72 may petition for equitable relief in the district court in the county  
52.13 where the debtor lives or where the coerced debt was incurred. The petition must include:52.14 (1) the notice to the creditor required under section 332.73, subdivision 1;52.15 (2) consistent with Rule 11 of the Minnesota Rules of General Practice, information  
52.16 identifying (i) the account or accounts associated with the coerced debt, and (ii) the person  
52.17 in whose name the debt was incurred; and153.4 Sec. 69. **[332.72] COERCED DEBT PROHIBITED.**153.5 A person is prohibited from causing another person to incur coerced debt.153.6 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2024, and  
153.7 applies to all debts incurred on or after that date.153.8 Sec. 70. **[332.73] NOTICE TO CREDITOR OF COERCED DEBT.**153.9 Subdivision 1. Notification. (a) Before taking an affirmative action under section 332.74,  
153.10 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
153.11 which the creditor demands payment is coerced debt and request that the creditor cease all  
153.12 collection activity on the coerced debt. The notification and request must be in writing and  
153.13 include documentation. The creditor, within 30 days of the date the notification and request  
153.14 is received, must notify the debtor in writing of the creditor's decision to either immediately  
153.15 cease all collection activity or continue to pursue collection.153.16 (b) If a creditor ceases collection but subsequently decides to resume collection activity,  
153.17 the creditor must notify the debtor ten days prior to the date the collection activity resumes.153.18 (c) A debtor must not proceed with an action under section 332.74 until the 30-day  
153.19 period provided under paragraph (a) has expired.153.20 Subd. 2. Sale or assignment of coerced debt. A creditor may sell or assign a debt to  
153.21 another party if the creditor selling or assigning the debt includes notification to the buyer  
153.22 or assignee that the debtor has asserted the debt is coerced debt.153.23 Subd. 3. No inference upon cessation of collection activity. The fact that a creditor  
153.24 ceases collection activity under this section or section 332.74 does not create an inference  
153.25 or presumption regarding the validity or invalidity of a debt for which a debtor is liable or  
153.26 not liable. The exercise or nonexercise of rights under this section is not a waiver of any  
153.27 other debtor or creditor rights or defenses.153.28 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2024, and  
153.29 applies to all debts incurred on or after that date.154.1 Sec. 71. **[332.74] DEBTOR REMEDIES.**154.2 Subdivision 1. Right to petition for declaration and injunction. A debtor alleging  
154.3 violation of section 332.72 may petition for equitable relief in the district court in the county  
154.4 where the debtor lives or where the coerced debt was incurred. The petition must include:154.5 (1) the notice to the creditor required under section 332.73, subdivision 1;154.6 (2) consistent with Rule 11 of the Minnesota Rules of General Practice, information  
154.7 identifying (i) the account or accounts associated with the coerced debt, and (ii) the person  
154.8 in whose name the debt was incurred; and



52.18 (3) the identity and, if known, contact information of the person who caused the debtor  
 52.19 to incur coerced debt, unless the debtor signs a sworn statement that disclosing the  
 52.20 information is likely to result in domestic abuse or other harm to the debtor, the debtor's  
 52.21 children, parents, other relatives, or a family pet.

52.22 Subd. 2. **Procedural safeguards.** The court must take appropriate steps necessary to  
 52.23 prevent abuse of the debtor or to the debtor, the debtor's children, parents, other relatives,  
 52.24 or a family pet. For purposes of this subdivision, appropriate steps include but are not limited  
 52.25 to sealing the file, marking the file as confidential, redacting personally identifiable  
 52.26 information about the debtor, and directing that any deposition or evidentiary hearing be  
 52.27 conducted remotely.

52.28 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor  
 52.29 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced  
 52.30 debt, the debtor is entitled to one or more of the following:

52.31 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

53.1 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor  
 53.2 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced  
 53.3 debt; and

53.4 (3) an order dismissing any cause of action brought by the creditor to enforce or collect  
 53.5 the coerced debt from the debtor or, if only a portion of the debt is established as coerced  
 53.6 debt, an order directing that the judgment, if any, in the action be amended to reflect only  
 53.7 the portion of the debt that is not coerced debt.

53.8 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
 53.9 creditor's motion has been served by United States mail to the last known address of the  
 53.10 person who violated section 332.72, shall issue a judgment in favor of the creditor against  
 53.11 the person in the amount of the debt or a portion thereof.

53.12 (c) This subdivision applies regardless of the judicial district in which the creditor's  
 53.13 action or the debtor's petition was filed.

53.14 Subd. 4. **Affirmative defense.** In an action against a debtor to satisfy a debt, it is an  
 53.15 affirmative defense that the debtor incurred coerced debt.

53.16 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
 53.17 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance  
 53.18 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
 53.19 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
 53.20 debt has been criminally convicted, entered a guilty plea, or entered an Alford plea under  
 53.21 section 609.27, 609.282, 609.322, or 609.527.

53.22 Subd. 6. **Statute of limitations tolled.** (a) The statute of limitations under section 541.05  
 53.23 is tolled during the pendency of a proceeding instituted under this section.

154.9 (3) the identity and, if known, contact information of the person who caused the debtor  
 154.10 to incur coerced debt, unless the debtor signs a sworn statement that disclosing the  
 154.11 information is likely to result in domestic abuse or other harm to the debtor, the debtor's  
 154.12 children, parents, other relatives, or a family pet.

154.13 Subd. 2. **Procedural safeguards.** The court must take appropriate steps necessary to  
 154.14 prevent abuse of the debtor or to the debtor, the debtor's children, parents, other relatives,  
 154.15 or a family pet. For purposes of this subdivision, appropriate steps include but are not limited  
 154.16 to sealing the file, marking the file as confidential, redacting personally identifiable  
 154.17 information about the debtor, and directing that any deposition or evidentiary hearing be  
 154.18 conducted remotely.

154.19 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor  
 154.20 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced  
 154.21 debt, the debtor is entitled to one or more of the following:

154.22 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

154.23 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor  
 154.24 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced  
 154.25 debt; and

154.26 (3) an order dismissing any cause of action brought by the creditor to enforce or collect  
 154.27 the coerced debt from the debtor or, if only a portion of the debt is established as coerced  
 154.28 debt, an order directing that the judgment, if any, in the action be amended to reflect only  
 154.29 the portion of the debt that is not coerced debt.

154.30 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
 154.31 creditor's motion has been served by United States mail to the last known address of the  
 154.32 person who violated section 332.72, must issue a judgment in favor of the creditor against  
 154.33 the person in the amount of the debt or a portion of the debt.

155.1 (c) This subdivision applies regardless of the judicial district in which the creditor's  
 155.2 action or the debtor's petition was filed.

155.3 Subd. 4. **Affirmative defense.** In an action against a debtor to satisfy a debt, it is an  
 155.4 affirmative defense that the debtor incurred coerced debt.

155.5 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
 155.6 defense asserted in subdivision 3, the debtor bears the burden to show by a preponderance  
 155.7 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
 155.8 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
 155.9 debt has been criminally convicted, entered a guilty plea, or entered an Alford plea under  
 155.10 section 609.27, 609.282, 609.322, or 609.527.

155.11 Subd. 6. **Statute of limitations tolled.** (a) The statute of limitations under section 541.05  
 155.12 is tolled during the pendency of a proceeding instituted under this section.

53.24 (b) A creditor is prohibited from filing a collection action regarding a debt that is the  
 53.25 subject of a proceeding instituted under this section while the proceeding is pending.

53.26 (c) If a debtor commences a proceeding under this section while a collection action is  
 53.27 pending against the debtor regarding a debt that is subject to the proceeding, the court must  
 53.28 immediately stay the collection action pending the disposition of the proceeding under this  
 53.29 section.

53.30 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
 53.31 incurred on or after that date.

54.1 Sec. 48. **[332.75] CREDITOR REMEDIES.**

54.2 Nothing in sections 332.71 to 332.74 diminishes the rights of a creditor to seek payment  
 54.3 recovery for a coerced debt from the person who caused the debtor to incur the coerced  
 54.4 debt.

54.5 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
 54.6 incurred on or after that date.

54.7 Sec. 49. **UNAUDITED FINANCIAL STATEMENTS; RULEMAKING.**

54.8 The commissioner of commerce shall amend Minnesota Rules, part 2876.3021, subpart  
 54.9 2, to remove the prohibition on use of unaudited financial statements if the aggregate amount  
 54.10 of all previous sales of securities by the applicant, exclusive of debt financing with banks  
 54.11 and similar commercial lenders, exceeds \$1,000,000. The commissioner of commerce may  
 54.12 use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1,  
 54.13 clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386,  
 54.14 does not apply except as provided under Minnesota Statutes, section 14.388.

155.13 (b) A creditor is prohibited from filing a collection action regarding a debt that is the  
 155.14 subject of a proceeding instituted under this section while the proceeding is pending.

155.15 (c) If a debtor commences a proceeding under this section while a collection action is  
 155.16 pending against the debtor regarding a debt that is subject to the proceeding, the court must  
 155.17 immediately stay the collection action pending the disposition of the proceeding under this  
 155.18 section.

155.19 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2024, and  
 155.20 applies to all debts incurred on or after that date.

155.21 Sec. 72. **[332.75] CREDITOR REMEDIES.**

155.22 Nothing in sections 332.71 to 332.74 diminishes the rights of a creditor to seek payment  
 155.23 recovery for a coerced debt from the person who caused the debtor to incur the coerced  
 155.24 debt.

155.25 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2024, and  
 155.26 applies to all debts incurred on or after that date.

155.27 Sec. 73. **UNAUDITED FINANCIAL STATEMENTS; RULEMAKING.**

155.28 The commissioner of commerce shall amend Minnesota Rules, part 2876.3021, subpart  
 155.29 2, to remove the prohibition on use of unaudited financial statements if the aggregate amount  
 155.30 of all previous sales of securities by the applicant, exclusive of debt financing with banks  
 155.31 and similar commercial lenders, exceeds \$1,000,000. The commissioner of commerce may  
 156.1 use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1,  
 156.2 clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386,  
 156.3 does not apply except as provided under Minnesota Statutes, section 14.388.

156.4 Sec. 74. **MINNESOTA COUNCIL ON ECONOMIC EDUCATION; GRANTS.**

156.5 (a) The grants provided under article 1, section 3, to the Minnesota Council on Economic  
 156.6 Education must be used by the council to:

156.7 (1) provide professional development to Minnesota teachers of courses or content related  
 156.8 to personal finance or consumer protection for students in grades 9 through 12;

156.9 (2) support the direct-to-student ancillary personal finance programs that Minnesota  
 156.10 teachers supervise and coach or that the Minnesota Council on Economic Education delivers  
 156.11 directly to students; and

156.12 (3) provide support to geographically diverse affiliated higher education-based centers  
 156.13 for economic education engaged in financial literacy education as it pertains to financial  
 156.14 literacy education initiatives, including those based at Minnesota State University Mankato,  
 156.15 St. Cloud State University, and St. Catherine University, as their work relates to activities  
 156.16 in clauses (1) and (2).

## S2744-3

93.28 Sec. 50. **REPEALER.**

93.29 Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06;  
 93.30 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16;  
 94.1 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; and  
 94.2 53B.27, subdivisions 1, 2, 5, 6, and 7, are repealed.

## S2219-2

55.10 Sec. 51. **REPEALER.**

55.11 Minnesota Statutes 2022, section 48.10, is repealed.

156.17 (b) The Minnesota Council on Economic Education must prepare and submit reports to  
 156.18 the commissioner of education in the form and manner prescribed by the commissioner  
 156.19 that:

156.20 (1) describe the number and type of in-person and online teacher professional  
 156.21 development opportunities provided by the Minnesota Council on Economic Education or  
 156.22 its affiliated state centers;

156.23 (2) list the content, length, and location of the programs;

156.24 (3) identify the number of preservice and licensed teachers receiving professional  
 156.25 development through each of these opportunities;

156.26 (4) summarize evaluations of professional opportunities for teachers; and

156.27 (5) list the number, types, and summary evaluations of the direct-to-student ancillary  
 156.28 personal finance programs that are supported with funds from the grant.

156.29 (c) By February 15 of each year following the receipt of a grant, the Minnesota Council  
 156.30 on Economic Education must provide a mid-year report to the commissioner of education  
 156.31 and, on August 15 of each year following receipt of a grant, the Minnesota Council on  
 156.32 Economic Education must prepare a year-end report according to the requirements of  
 157.1 paragraph (b). The reports must be prepared and filed according to Minnesota Statutes,  
 157.2 section 3.195. The commissioner may request additional information as necessary.

157.3 Sec. 75. **REPEALER.**

157.4 (a) Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06;  
 157.5 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16;  
 157.6 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; and  
 157.7 53B.27, subdivisions 1, 2, 5, 6, and 7, are repealed.

157.8 (b) Minnesota Statutes 2022, section 48.10, is repealed.

157.9 (c) Minnesota Rules, parts 2675.2610, subparts 1, 3, and 4; 2675.2620, subparts 1, 2, 3,  
 157.10 4, and 5; and 2675.2630, subpart 3, are repealed.