



Multistate MSB Licensing Agreement Program Frequently Asked Questions

What is the purpose of the Multistate Money Services Businesses Licensing Agreement Program (MMLA)?

The purpose of the MMLA Program is to create a more efficient money service business (MSB) licensing process among state regulators.

Who should apply to the MMLA?

Any company wishing to obtain a license in multiple states. If a company is seeking licensure in fewer than five (5) states, participation in the MMLS program may not render a significant benefit to your company. Prospective applicants should analyze whether this process is best for their company. Prospective multistate applicants interested in applying through the MMLA Program, should submit the [MMLA Intake Form](#) to the Washington State Department of Financial Institutions (Lead State) by email to Cindy Fazio (lucinda.fazio@dfi.wa.gov) and Devon Phelps (devon.phelps@dfi.wa.gov).

What if our business model involves Virtual Currency?

You may want to contact individual participating states to ask if the business activity is regulated. Also, see the chart under the Activities Authorized Under This License section of the [MMLA Uniform Phase One Checklist](#).

Who is not eligible for this license process?

The following are potential disqualifiers from the process:

- Company is out of the country
- Company provides services to the marijuana industry
- Company has prior unlicensed activity
- Control person has a felony or a financial or dishonesty-related misdemeanor conviction

If one of the above disqualifiers applies to you, contact the lead state by emailing Cindy Fazio (Lucinda.fazio@dfi.wa.gov) or Devon Phelps (devon.phelps@dfi.wa.gov) prior to submitting the [MMLA Intake Form](#).

How does the process work?

The MMLA Program consists of two phases:

- Phase One Review of general license application information
- Phase Two Review of state-specific license application information

During the Phase One Review, applicants will communicate exclusively with the state conducting the initial or Phase One review. When your application is deemed complete and

acceptable, the Phase One state will “certify” to the other participating state agencies that you have satisfied all Phase One requirements.

Note: The Phase One certification is NOT a license.

After Phase One review and certification, you can apply in other participating states by updating your existing Company (MU1) Form in NMLS. The states in which you have applied will then complete the Phase Two Review of their state-specific requirements. If the Phase Two Review is successful, state agency may grant a license approval. See the [Multistate MSB Licensing Program Process Guide](#) for more information.

What is the difference between a Phase One and a Phase Two state?

Primarily, an application to a Phase One State and their review includes criminal background and credit report verifications for all direct and indirect owners. Only Phase One states are statutorily authorized to conduct such verifications. Only Phase One States can conduct a Phase One review and certify an application, allowing the application to move to the Phase Two process.

How many days does an applicant have to complete a Phase One application?

The applicant must apply in the Phase One Reviewing State within 30 calendar days of the date on the “Welcome” email. Once the applicant submits an application, they have 60 calendar days to submit a complete Phase One application. The Phase One Reviewing State has the discretion to grant application extensions under certain circumstances, including for Secretary of State registrations or third-party background checks, which may take longer than 60 calendar days to complete.

If I get a Phase One Certification does that mean I will automatically get a license in all the MMLA participating states?

No. A certification is not a license and does not mean you will get a license in any state. You must still meet all the Phase Two requirements in all participating states (including the Phase One Certifying State). In addition, all participating states can deny a license based on their review of your application, even if the reason for denial stems from a Phase One review item.

What is the shelf-life of a certification?

Ninety calendar days. This date will be listed (as a specific calendar date) by the Phase One Reviewing State in the “Congratulations” email sent to the applicant.

What does the lead state do?

The lead state collects intake forms from potential applicants. They are also the primary point of contact for questions about the MMLA Program. The Washington State Department of Financial Institutions currently serves as the lead state for the MMLA. Email Cindy Fazio (lucinda.fazio@dfi.wa.gov) and Devon Phelps (devon.phelps@dfi.wa.gov) with questions about the MMLA Program.

How do I know which state to apply to first?

Your initial application must be made to your assigned Phase One State. While your headquarters location and your choice will be considered, ultimately, the Phase One Reviewing State assignment is determined by the MMLA participating states.

Who are the Phase One and Phase Two participating states?

[Click here](#) to access the MMLA Participation map.

As of September 11, 2019, MMLA Phase One state include:

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|-------------------|-----------------|
| 1. Connecticut | 7. Rhode Island |
| 2. Georgia | 8. Texas-DOB |
| 3. Kansas | 9. Vermont |
| 4. Maryland | 10. Washington |
| 5. North Carolina | 11. Wyoming |
| 6. North Dakota | |

As of September 11, 2019, MMLA Phase Two states include:

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|--------------------|------------------|
| 1. California -DBO | 9. Massachusetts |
| 2. Idaho | 10. Mississippi |
| 3. Illinois | 11. Nebraska |
| 4. Indiana-DFI | 12. Ohio |
| 5. Iowa | 13. South Dakota |
| 6. Kentucky | 14. Tennessee |
| 7. Louisiana | 15. Utah-DFI |
| 8. Maine | |

How do I know when to amend my record to apply in the other participating states following Phase One Certification?

The Phase One Reviewing State that certifies your application will give you instructions on how and when to proceed with applying to other participating states.

What if I am not quite ready to apply but I want to get the process started?

Do not apply with the MMLA Program until you have done your best to submit a complete application. It slows the process down when the Phase One State has to continually contact you for information. In addition, some states have statutes regarding dormant applications, which allow an incomplete application to be deemed abandoned.

Can changes be made to an application while under review by the Phase One state?

Changes are NOT recommended. If you make material changes to the company (business plan, activities, changes in ownership), including removing and/or replacing documents you uploaded to NMLS, this will affect the entire process resulting in your application potentially being removed from the MMLA Program. If you must change something, contact the Phase One State reviewing the application and follow their instructions before the Phase One certification is issued.

What is considered a material change to an application after certification?

Changes to direct or indirect owners (up to the 10%), control people, other officers, business plan, AML policy, organization chart, management chart, or disclosures will be considered material changes. If company makes changes to the above items after certification (but before application in any Phase Two states), the company will be dropped from the protocol or will need to be re-certified. If an applicant makes changes after it has submitted a Phase Two application, the Phase Two state can decide how to proceed (new review, continue as is, etc.). [Click here](#) to access the Statement of No Material Change Form

Will my application be abandoned if I don't submit all the application materials in a timely manner?

Yes. Some states have a short abandonment window for incomplete applications. Do not apply to the MMLA Program unless your application can be completed within 60 days.

How can I avoid paying for criminal background checks multiple times?

If done properly, you will only have to pay for a criminal background check for each MU2 individual twice: during the submission of your Company (MU1) Form when applying to your Phase One Reviewing State and during submission of your Company (MU1) Form when applying to your Phase Two States.

In order to accomplish this, you must grant authorization to each of the Phase Two States to review the criminal background checks at the same time you amend the Company (MU1) Form to apply to these states. If you do not authorize all Phase Two States at this time (or if you apply for Phase Two licenses separately), you will be required to pay the criminal background check fee each time. See the [Completing the CBC Process for MU2s - Company Perspective](#) Quick Guides for additional instructions.

If I need to submit an independent third-party background check can I use one that was previously prepared?

Yes. A report prepared within the past 12 months prior to application is acceptable. However, you must submit a [Statement of No Material Changes Form](#) if the report is older than 6 months.