

April 4, 2019

Chairman Michael Marcotte  
House Commerce and Economic Development Committee  
State Capitol  
115 State St  
Montpelier, VT 05633

**RE: Support If Amended – S 154 (Money Transmitter Provisions)**

Dear Chairman Marcotte:

On behalf of the Electronic Transactions Association (“ETA”), we appreciate the opportunity to share our thoughts on behalf of the payment industry regarding S 154. S 154 makes several changes to the Vermont banking and financial services laws which promote innovation, however one of the changes to extend the bookkeeping requirement from five to seven years for a money transmitter would be burdensome and would put Vermont out of sync with the rest of the country. As such, ETA respectfully requests that the committee consider retaining the five year record retention requirement for money transmitters which is current law in Vermont and standard across the country.

ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services, including financial institutions, transaction processors, payments networks, and others. ETA also has members that are engaged in online lending for commercial enterprises, primarily small businesses, either directly or in partnership with other lenders.

**Money Transmitter Record Retention Requirements**

This bill makes a number of very important changes to encourage harmonization between Vermont and other state requirements including access to the NMLS system. ETA supports many of those changes. However, the bill would also make changes to the recordkeeping requirements for licensed money transmitters in Vermont. The national standard for recordkeeping in this space is five years and that is also the current law in Vermont.<sup>1</sup> This bill would extend those recordkeeping requirements to seven years in proposed 72 V.S.A. Chapter 72 Section 2119. This would be onerous for licensees and bring Vermont out of sync with the rest of the country.

ETA respectfully requests that the committee consider retaining the five year record retention requirement for money transmitters which is current law in Vermont and standard across the country.

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<sup>1</sup> 8 V.S.A. § 2534.

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Thank you for the opportunity to participate in the discussion on this important issue. If you have any additional questions, you can contact me or ETA Senior Vice President, Scott Talbott at [stalbott@electran.org](mailto:stalbott@electran.org).

Sincerely,



PJ Hoffman  
Director of Regulatory Affairs  
Electronic Transactions Association  
[PJHoffman@electran.org](mailto:PJHoffman@electran.org)  
(202) 677-7417

Cc: House Commerce and Economic Development Committee Members  
Senator Ann Cummings