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March 28, 2019

Dear Money Broker Licensee:

This letter is being addressed to all companies currently licensed as money brokers by the North Dakota Department of Financial Institutions. The purpose of this letter is to inform you of substantive changes being adopted in 2019 that will have a direct impact on the regulation of money brokers in North Dakota. Included in these changes are legislative amendments adopted in the 2019 legislative session (Senate Bill 2093). Changes referenced in this letter will take effect on August 1, 2019. As always, the Department strongly recommends that each regulated entity review all laws which are applicable to the areas in which they practice, and if need be, consult a professional that can ensure compliance with both Federal and State law. A full version of Senate Bill 2093 can be reviewed at the following link:

<https://www.legis.nd.gov/assembly/66-2019/documents/19-8053-02000.pdf>

As it relates to money brokers, the primary statutory change included within Senate Bill 2093 relates to the surety bond requirement. The money broker surety bond requirement addressed in section 13-04.1-04.1 of the North Dakota Century Code is in the amount of \$25,000. All surety bonds are currently maintained electronically within NMLS. Effective August 1, 2019, Senate Bill 2093 will raise this amount to \$50,000. Each existing licensee will have until no later than December 31, 2019, to increase their North Dakota bond amount to \$50,000 within NMLS. The December 31, 2019, date corresponds with the annual license renewal within NMLS. **Note:** Contact your surety bond producer to inform them of the change so the producer can initiate the Surety Bond Rider Process in NMLS. Visit the ESB for NMLS Licensees page of the NMLS Resource Center for more information about the Electronic Surety Bond process.

Additionally, the Department is extending its license application background check and credit reporting requirements. Effective August 1, 2019, the Department will require all persons meeting the NMLS definition of a control person and branch managers to complete these requirements. This will not be retroactive and will only apply to new applications and newly appointed individuals to an existing licensee on or after August 1, 2019.

Once again, the purpose of this letter is to address the substantive changes affecting North Dakota money brokers in 2019. The license checklists within NMLS will be updated on August 1, 2019, to reflect these changes.

Sincerely,

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