

Nebraska Money Transmitters Act
Chapter 8, Article 28
§§8-2701 to 8-2742

8-2701

Act, how cited.

Sections 8-2701 to 8-2742 shall be known and may be cited as the Nebraska Money Transmitters Act.

Last amended:

Reissue 2022; Laws 2025, LB474, § 6

Operative Date: October 1, 2025

8-2702

Terms, defined.

For purposes of the Nebraska Money Transmitters Act:

(1) Acting in concert means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement;

(2) Applicant means a person filing an application for a license under the Nebraska Money Transmitters Act;

(3) Authorized delegate means a person designated by the licensee to engage in money transmission on behalf of the licensee;

(4) Average daily money transmission liability means the amount of the licensee's outstanding money transmission obligations in this state at the end of each day in a given period of time, added together, and divided by the total number of days in the given period of time. For purposes of calculating average daily money transmission liability under the Nebraska Money Transmitters Act for any licensee required to do so, the given period of time shall be each calendar quarter;

(5) Closed loop stored value means stored value that is redeemable by the issuer of such stored value only for goods or services provided by the issuer or affiliates of such issuer or franchisees of the issuer or affiliates of such franchisees, except to the extent the stored value is required by applicable law to be redeemable in cash for the cash value of the stored value;

(6)(a) Control means:

(i) Direct or indirect power over the vote of at least twenty-five percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee;

(ii) The power to elect or appoint a majority of key individuals, executive officers, managers, directors, trustees, or other persons that have managerial authority of a person in control of a licensee; or

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

(b) For purposes of determining the percentage of a person controlled by any other person, the person's interest shall be aggregated with the interest of any other immediate family member, including the person's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law, and any other person who shares such person's residence;

(7) Department means the Department of Banking and Finance;

(8) Director means the Director of Banking and Finance;

(9) Eligible rating means a credit rating of any of the three highest rating categories provided by an eligible rating service, whereby each category may include rating category modifiers such as plus or minus for Standard and Poor's Corporation or the equivalent for any other eligible rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or higher by Standard and Poor's Corporation, or the equivalent from any other eligible rating service. Short-term credit ratings are deemed eligible if the rating is equal to or higher than A-2 or SP-2 by Standard and Poor's Corporation or the equivalent from any other eligible rating service. In the event that ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

(10) Eligible rating service means any nationally recognized statistical rating organization approved by the Securities and Exchange Commission and any other organization designated by the director by rule or order;

(11) Federally insured depository financial institution means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when such bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits;

(12) In this state means at a physical location within this state for a transaction requested in person. For a transaction requested electronically or by telephone, the provider of money transmission may determine if the person requesting the transaction is in this state by relying on other information provided by such person regarding the location of the individual's residential address or the entity's principal place of business or other physical address location and any records associated with such person that the provider of money transmission may have that indicate the location of the individual's residential address or the entity's principal place of business or other physical address location, including, but not limited to, an address associated with an account;

(13) Individual means a natural person;

(14) Key individual means any individual ultimately responsible for establishing or directing policies and procedures of the licensee, such as an executive officer, manager, director, or trustee;

(15) Licensee means a person licensed under the Nebraska Money Transmitters Act;

(16) Material litigation means litigation, that according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records;

(17) Model Money Transmission Modernization Act means the Model Money Transmission Modernization Act approved for state adoption by the Conference of State Bank Supervisors Board of Directors that sets nationwide standards, including net worth, surety bond, and permissible investments requirements, to modernize the supervision and regulation of money transmitters;

(18) Monetary value means a medium of exchange, whether or not redeemable in money;

(19) Money means a medium of exchange that is authorized or adopted by the United States or a foreign government. Money includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments;

(20)(a) Money transmission means any of the following:

(i) Selling or issuing payment instruments to a person located in this state;

(ii) Selling or issuing stored value to a person located in this state; and

(iii) Receiving money for transmission from a person located in this state.

(b) Money transmission includes payroll processing services. Money transmission does not include the provision solely of online or telecommunications services or network access;

(21) Multistate licensing process means any agreement entered into by and among state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations, or notice and information requirements for a change of key individuals;

(22) Nationwide Mortgage Licensing System and Registry means the Nationwide Mortgage Licensing System and Registry, also known as the Nationwide Multistate Licensing System and Registry, developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators and owned and operated by the State Regulatory Registry LLC, or any successor or affiliated entity, for the licensing and registration of persons in financial services industries;

(23)(a) Outstanding money transmission obligation means:

(i) Any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee or has been escheated in accordance with applicable abandoned property laws; or

(ii) Any money received for transmission by the licensee or an authorized delegate in the United States from a person located in the United States that has not been received by the payee or refunded to the sender or has been escheated in accordance with applicable abandoned property laws.

(b) For purposes of subdivision (23) of this section, in the United States includes, to the extent applicable, a person in any state, territory, or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico; or a United States military installation that is located in a foreign country;

(24) Payment instrument means a written or electronic check, draft, money order, traveler's check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable. Payment instrument does not include stored value or any instrument that:

(a) Is redeemable by the issuer only for goods or services provided by the issuer or affiliates of such issuer or franchisees of the issuer or affiliates of such franchisees except to the extent the instrument is required by applicable law to be redeemable in cash for the cash value of the instrument; or

(b) Is not sold publicly but issued and distributed as part of a loyalty, rewards, or promotional program;

(25) Payroll processing services means receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries. Payroll processing services does not include an employer performing payroll processing services on the employer's own behalf or on behalf of an affiliate of the employer;

(26) Person means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity identified by the director;

(27) Receipt means a paper receipt, electronic record, or other written confirmation;

(28) Receiving money for transmission or money received for transmission means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means;

(29) Remit means to make direct payments of money to a licensee or a representative of a licensee authorized to receive money or to deposit money in a bank in an account specified by the licensee; and

(30) Stored value means monetary value representing a claim against the issuer of the stored value evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. Stored value includes, but is not limited to, prepaid access as defined by 31 C.F.R. 1010.100. Notwithstanding the foregoing, stored value does not include a payment instrument or closed loop stored value, or stored value not sold publicly but issued and distributed as part of a loyalty, rewards, or promotional program.

Laws 2025, LB474, § 7

Operative Date: October 1, 2025

8-2703

Exemptions.

The Nebraska Money Transmitters Act does not apply to:

(1) An operator of a payment system to the extent that such operator provides processing, clearing, or settlement services, between or among persons exempted from the Nebraska Money Transmitters Act under this section or licensees, in connection with wire transfers, credit card transactions, debit card transactions, stored value transactions, automated clearinghouse transfers, or similar funds transfers;

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

(a) There exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the behalf of the payee;

(b) The payee holds the agent out to the public as accepting payments for goods or services on the behalf of the payee; and

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

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

(a) Is properly licensed or exempt from licensing requirements of the Nebraska Money Transmitters Act;

- (b) Provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and
- (c) Bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the designated recipient of the sender;
- (4) The United States or any department, agency, or instrumentality thereof or any agent of the United States or any department, agency, or instrumentality thereof;
- (5) Money transmission by the United States Postal Service or by an agent of the United States Postal Service;
- (6) A state, county, or city or any governmental agency, political subdivision, or instrumentality of a state, or any agent of a state, county, or city or any governmental agency, political subdivision, or instrumentality of a state;
- (7) A federally insured depository financial institution, bank holding company, office of an international banking corporation, foreign bank that establishes a federal branch pursuant to the International Banking Act of 1978, corporation organized pursuant to the Bank Service Company Act, or corporation organized under the Edge Act;
- (8) Electronic funds transfer of governmental benefits for a federal, state, county, or other governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state, county, or other governmental subdivision, agency, or instrumentality thereof;
- (9) A board of trade designated as a contract market under the Commodity Exchange Act or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of such person's operation as or for such a board;
- (10) A person registered as a futures commission merchant under the federal commodities laws to the extent of such person's operation as a merchant;
- (11) A person registered as a securities broker-dealer under federal or state securities laws to the extent of such person's operation as a broker-dealer;
- (12) An individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements of the Nebraska Money Transmitters Act when acting within the scope of employment, under the supervision of the licensee, authorized delegate, or exempted person, as an employee and not as an independent contractor;
- (13) A person expressly appointed as a third-party service provider to or agent of an entity exempt under subdivision (7) of this section, solely to the extent that:

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

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

(14) A person, firm, corporation, or association licensed in this state and acting within this state within the scope of a license:

(a) As a collection agency pursuant to the Collection Agency Act;

(b) As a credit services organization pursuant to the Credit Services Organization Act; or

(c) To engage in the debt management business pursuant to sections 69-1201 to 69-1217;

(15) A charter issued under the Nebraska Financial Innovation Act; and

(16) A person exempt by regulation or order if the director finds such exemption to be in the public interest and that the regulation of such person is not necessary for the purposes of the Nebraska Money Transmitters Act.

Laws 2025, LB474, § 8

Operative Date: October 1, 2025

8-2704

Authority to require demonstration of exemption.

The director may require that any person claiming to be exempt from licensing under the Nebraska Money Transmitters Act pursuant to section 8-2703 provide information and documentation to the director demonstrating that such person qualifies for exemption.

LB474, 2025 § 9

Operative Date: October 1, 2025

8-2705

Director; implementation; broad administrative authority.

(1) In order to carry out the purposes of the Nebraska Money Transmitters Act, the director may, subject to subsections (1) and (2) of section 8-2706:

(a) Enter into agreements or relationships with other government officials or federal and state regulatory agencies and regulatory associations in order to improve efficiencies and reduce regulatory burden by standardizing methods or procedures and sharing resources, records, or related information obtained under the Nebraska Money Transmitters Act;

(b) Use, hire, contract, or employ analytical systems, methods, or software to examine or investigate any person subject to the Nebraska Money Transmitters Act;

(c) Accept, from other state or federal governmental agencies or officials, licensing, examination, or investigation reports made by such other state or federal governmental agencies or officials; and

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

(2) The director shall have the broad administrative authority to administer, interpret, and enforce the Nebraska Money Transmitters Act, to adopt and promulgate rules or regulations implementing the act, and to recover the cost of administering and enforcing the act by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to achieve the purposes of the act.

Laws 2025, LB474, § 10

Operative Date: October 1, 2025

8-2706

Information; reports; records; confidentiality; disclosure; director; powers.

(1) Except as otherwise provided in subsection (2) of this section, all information or reports obtained by the director from an applicant, licensee, or authorized delegate, related to an examination or investigation, on behalf of, or for the use of the director, are not public record and are not subject to disclosure pursuant to sections 84-712 to 84-712.09.

(2) The director may disclose information not otherwise subject to disclosure under subsection (1) of this section to a representative of state or federal agencies who promises in a record that the representative will maintain the confidentiality of the information or if the director finds that the disclosure is reasonably necessary for the protection and interest of the public pursuant to sections 84-712 to 84-712.09.

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

(4) Information contained in the records of the department that is public record and may be made available to the public either on the department's website, upon receipt by the department of a written request, or in the Nationwide Mortgage Licensing System and Registry shall include:

(a) The name, business address, telephone number, and unique identifier of any licensee;

(b) The business address of any registered agent of a licensee for service;

(c) The name, business address, and telephone number of all authorized delegates;

- (d) The terms of, or a copy of, any bond filed by a licensee, provided that confidential information, including, but not limited to, prices and fees for such bond is redacted;
- (e) Copies of any nonconfidential final orders of the department relating to any violation of the Nebraska Money Transmitters Act or the rules and regulations implementing the act; and
- (f) Imposition of an administrative fine or penalty under the act.

Laws 2025, LB474, § 11

Operative Date: October 1, 2025

8-2707

Licensee or authorized delegate; supervision; director; powers; violation of act; administrative fine.

(1) The director may conduct an examination or investigation of a licensee or authorized delegate or otherwise take independent action authorized by the Nebraska Money Transmitters Act or by a rule or regulation adopted and promulgated or an order issued under the act as reasonably necessary or appropriate to administer and enforce the act, rules and regulations implementing the act, or other applicable law, including the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. The director may:

- (a) Conduct an examination as the director may reasonably require;
- (b) Conduct an examination in conjunction with an examination conducted by representatives of other state agencies or agencies of another state or of the federal government;
- (c) Accept the examination report of another state agency or an agency of another state or of the federal government, or a report prepared by an independent accounting firm, which on being accepted, is considered for all purposes as an official report of the director; and
- (d) Summon and examine under oath a key individual or employee of a licensee or authorized delegate and require the person to produce records regarding any matter related to the condition and business of the licensee or authorized delegate.

(2) A licensee or authorized delegate shall provide, and the director shall have full and complete access to, all records the director may reasonably require to conduct a complete examination. The records shall be provided at a location and in a format specified by the director. The director may utilize multistate record production standards and examination procedures when such standards will reasonably achieve the requirements of this subsection.

(3) Upon receipt by a licensee, an authorized delegate, or any other person of a notice of investigation or inquiry request for information from the department, the licensee, authorized delegate, or other person shall respond within twenty-one calendar days after receipt. Failure to

respond is a violation of the Nebraska Money Transmitters Act. Each day a licensee, authorized delegate, or other person fails to respond shall constitute a separate violation of the act.

(4) If the director finds, after notice and opportunity for hearing in accordance with the Administrative Procedure Act, that any person has violated the Nebraska Money Transmitters Act pursuant to subsection (3) of this section, the director may order such person to pay an administrative fine of not more than five thousand dollars for each separate violation and the costs of investigation.

(5) Unless otherwise directed by the director, a licensee shall pay all costs reasonably incurred in connection with an examination of the licensee or the licensee's authorized delegates.

Laws 2025, LB474, § 12

Operative Date: October 1, 2025

8-2708***Multistate supervisory process; authority to participate.***

(1) The director is authorized to participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors and Money Transmitter Regulators Association and any affiliates and successors thereof for all licensees that hold licenses in this state and other states. As a participant in multistate supervision, the director may:

(a) Cooperate, coordinate, and share information with other state and federal regulators in accordance with section 8-2706;

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

(c) Cooperate, coordinate, and share information with organizations, the membership of which is made up of state or federal governmental agencies, provided that the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with section 8-2706.

(2) Nothing in this section constitutes a waiver of the director's authority to conduct an examination or investigation or otherwise take independent action authorized by the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or an order issued under the act to enforce compliance with applicable state or federal law.

(3) A joint examination or investigation, or acceptance of an examination or investigation report, does not waive an examination assessment provided for in the Nebraska Money Transmitters Act.

Laws 2025, LB474, § 13

Operative Date: October 1, 2025

8-2709***Money transmission; license required; when; not transferable or assignable.***

(1) A person may not engage in the business of money transmission or advertise, solicit, or hold such person out as providing money transmission unless the person is licensed under the Nebraska Money Transmitters Act.

(2) Subsection (1) of this section does not apply to:

(a) A person that is an authorized delegate of a licensee under the Nebraska Money Transmitters Act acting within the scope of authority conferred by a written contract with the licensee; or

(b) A person that is exempt pursuant to section 8-2703 and does not engage in money transmission outside the scope of such exemption.

(3) A license issued under section 8-2713 is not transferable or assignable.

Laws 2025, LB474, § 14

Operative Date: October 1, 2025

8-2710***Licensing cooperation and coordination among state regulators; Nationwide Mortgage Licensing System and Registry; participation authorized.***

(1) To establish consistent licensing between Nebraska and other states, the director is authorized to:

(a) Implement all licensing provisions of the Nebraska Money Transmitters Act in a manner that is consistent with other states that have adopted a version of the Model Money Transmission Modernization Act or multistate licensing processes; and

(b) Participate in nationwide protocols for licensing cooperation and coordination among state regulators provided that such protocols are consistent with the Nebraska Money Transmitters Act.

(2) In order to fulfill the purposes of the Nebraska Money Transmitters Act, the director is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to enable the director to:

(a) Collect and maintain records;

(b) Coordinate multistate licensing processes and supervision processes;

(c) Process fees; and

(d) Facilitate communication between Nebraska and licensees or other persons subject to the Nebraska Money Transmitters Act.

(3) The director is authorized to utilize the Nationwide Mortgage Licensing System and Registry for all aspects of licensing in accordance with the Nebraska Money Transmitters Act, including, but not limited to, license applications, applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and examinations.

(4) The director is authorized to utilize the Nationwide Mortgage Licensing System and Registry forms, processes, and functionalities in accordance with the Nebraska Money Transmitters Act. In the event the Nationwide Mortgage Licensing System and Registry does not provide functionality, forms, or processes for a provision of the act, the director is authorized to implement the requirements in a manner that facilitates uniformity with respect to licensing, supervision, reporting, and regulation of licensees which are licensed in multiple jurisdictions.

(5) The director is authorized to adopt and promulgate rules and regulations, or issue an order, to establish requirements for participation by applicants and licensees in the Nationwide Mortgage Licensing System and Registry upon the department's determination that each requirement is consistent with law, public interest, and the purposes of this section.

Laws 2025, LB474, § 15

Operative Date: October 1, 2025

8-2711

License; application; form; contents; fee.

(1) Applicants for a license shall apply in a form and in a medium as prescribed by the director. Each such form shall contain content as set forth by rule, regulation, instruction, or procedure of the director and may be changed or updated by the director in accordance with applicable law in order to carry out the purposes of the Nebraska Money Transmitters Act and maintain consistency with Nationwide Mortgage Licensing System and Registry licensing standards and practices. The application shall state or contain, as applicable:

(a) The legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting the applicant's business;

(b) A list of any criminal conviction of the applicant and any material litigation in which the applicant has been involved in the ten-year period next preceding the submission of the application;

(c) A description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this state;

(d) A list of the applicant's proposed authorized delegates and the locations in this state where the applicant and its authorized delegates propose to engage in money transmission;

- (e) A list of other states in which the applicant is licensed to engage in money transmission and any license revocation, suspension, or other disciplinary action taken against the applicant in another state;
 - (f) Information concerning any bankruptcy or receivership proceeding affecting the applicant or a person in control of an applicant;
 - (g) A sample form of contract for authorized delegates, if applicable;
 - (h) A sample form of payment instrument or stored value, as applicable;
 - (i) The name and address of any federally insured depository financial institution through which the applicant plans to conduct money transmission; and
 - (j) Any other information the Director or the Nationwide Mortgage Licensing System and Registry reasonably requires with respect to the applicant.
- (2) If an applicant is a corporation, limited liability company, partnership, or other legal entity, the applicant shall also provide:
- (a) The date of the applicant's incorporation or formation and state or country of incorporation or formation;
 - (b) If applicable, a certificate of good standing from the state or country in which the applicant was incorporated or formed;
 - (c) A brief description of the structure or organization of the applicant, including any parents or subsidiaries of the applicant, and whether any such parents or subsidiaries are publicly traded;
 - (d) The legal name, any fictitious or trade name, all business and residential addresses, and the employment, as applicable, of each key individual and person in control of the applicant in the ten-year period preceding the submission of the application;
 - (e) A list of any criminal convictions and material litigation for a person in control of the applicant that is not an individual that has been involved with the applicant in the ten-year period preceding the submission of the application;
 - (f) A copy of audited financial statements of the applicant for the most recent fiscal year and for the two-year period preceding the submission of the application or, if determined to be acceptable to the director, certified unaudited financial statements for the most recent fiscal year or any other period acceptable to the director;
 - (g) A certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;

(h) If the applicant is a publicly traded corporation, a copy of the most recent report filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934;

(i) If the applicant is a wholly owned subsidiary of:

(i) A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed pursuant to the Securities Exchange Act of 1934; or

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

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

(k) Any other information the director reasonably requires with respect to the applicant.

(3) A nonrefundable application fee of one thousand five hundred dollars must accompany an application for a license under this section.

(4) Other than the nonrefundable application fee, the director may waive one or more requirements of this section or permit an applicant to submit other information in lieu of the required information.

Laws 2025, LB474, § 16

Operative Date: October 1, 2025

8-2712

Individual in control or seeking control; key individuals; background information; investigative background report; director; powers.

(1) Any individual in control of a licensee or applicant, any individual that seeks to acquire control of a licensee, and any key individual shall furnish to the director, through the Nationwide Mortgage Licensing System and Registry, the following items:

(a) The individual's fingerprints for submission to the Federal Bureau of Investigation and the director for purposes of a national criminal history background check unless the individual currently resides outside of the United States and has resided outside of the United States for the last ten years; and

(b) The individual's personal history and experience in a form and in a medium prescribed by the director, including the following:

(i) An independent credit report from a consumer reporting agency unless the individual does not have a social security number, in which case, this requirement shall be waived;

(ii) Information related to any criminal conviction or pending charges; and

(iii) Information related to any regulatory or administrative action and any civil litigation involving any claim of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach of contract.

(2) If the individual has resided outside of the United States at any time in the last ten years, the individual shall also provide an investigative background report prepared by an independent search firm that meets the following requirements:

(a) The firm shall, at a minimum:

(i) Demonstrate that the firm has sufficient knowledge and resources and employs accepted and reasonable methodologies to conduct the research of the background report; and

(ii) Not be affiliated with, or have an interest with, the individual it is researching; and

(b) The investigative background report shall be written in the English language and shall contain the following, at a minimum:

(i) If available in the individual's current jurisdiction of residency, a comprehensive credit report, or any equivalent information obtained or generated by the independent search firm to accomplish such report, including a search of the court data in the countries, provinces, states, cities, towns, and areas where the individual resided and worked;

(ii) Criminal record information of the individual for the past ten years, including, but not limited to, felonies, misdemeanors, or similar convictions for violations of law in the countries, provinces, states, cities, towns, and areas where the individual resided and worked;

(iii) Employment history of the individual;

(iv) Media history of the individual, including an electronic search of national and local publications, wire services, and business applications; and

(v) Financial services-related regulatory history of the individual, including, but not limited to, money transmission, securities, banking, insurance, and mortgage-related industries.

(3) The director may use the Nationwide Mortgage Licensing System and Registry as a channeling agent for requesting information from and distributing information to the United States Department of Justice or any other governmental agency in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of this section.

Laws 2025, LB474, § 17

Operative Date: October 1, 2025

8-2713

License; issuance or denial; procedure; appeal; license term.

(1) When the director determines an application for an original license under the Nebraska Money Transmitters Act appears to include all the items and addresses all of the matters that are required, the application is complete. The director shall promptly notify the applicant in a record of the date on which the application is determined to be complete. The director shall approve, conditionally approve, or deny the application within one hundred twenty days after the completion date. The director may for good cause extend such one-hundred-twenty-day period.

(2) A determination by the director that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items, including the criminal history background check response from the Federal Bureau of Investigation, and address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

(3) When an application is filed and considered complete under this section, the director shall investigate the applicant's financial condition, financial responsibility, financial and business experience, character, and general fitness. The director may conduct an investigation of the applicant, the reasonable cost of which the applicant must pay. The director shall issue a license to an applicant under this section if the director finds that all of the following conditions have been fulfilled:

(a) The applicant has complied with sections 8-2711 and 8-2712; and

(b) The financial condition, financial responsibility, financial and business experience, competence, character, and general fitness of the applicant and the competence, experience, character, and general fitness of the key individuals and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in money transmission.

(4) The director shall issue a formal written notice of the denial of a license application within thirty days after the decision to deny such application. The director shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the director under this section may appeal within thirty days after receipt of the written notice of the denial. The appeal shall be in accordance with the Administrative Procedure Act.

(5) If an applicant for a license under the Nebraska Money Transmitters Act does not complete the license application and fails to respond to a notice or notices from the department to correct a deficiency or deficiencies for a period of one hundred twenty days or more after the date the department sends the initial notice to correct the deficiency or deficiencies, the department may deem the application as abandoned and may issue a notice of abandonment of the application to the applicant in lieu of proceedings to deny the application.

(6) The initial license term shall begin on the day the application is approved. The license shall expire on December 31 of the year in which the license term began, unless the initial license date

is on or after November 1 and on or before December 31, in which instance the initial license term shall run through December 31 of the following year.

Laws 2025, LB474, § 18

Operative Date: October 1, 2025

8-2714

License renewals.

- (1) A license under the Nebraska Money Transmitters Act shall be renewed annually.
- (2) An annual renewal fee of seven hundred fifty dollars shall be paid no more than sixty days before the license expiration.
- (3) The renewal term shall be for a period of one year and shall begin on January 1 of each year after the initial license term and shall expire on December 31 of the year the renewal term begins.
- (4) A licensee shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by the director. The renewal report shall state or contain a description of each material change in information submitted by the licensee in its original license application which has not been reported to the director.
- (5) The director may, for good cause, grant an extension to when the submission of the renewal fee and report is due for renewal for a licensee.
- (6) The director is authorized to utilize the Nationwide Mortgage Licensing System and Registry to process license renewals provided that such functionality is consistent with this section.

Laws 2025, LB474, § 19

Operative Date: October 1, 2025

8-2715

License; suspend or revoke; grounds; applicant or licensee; demonstrate compliance with law.

- (1) If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the director may suspend or revoke the licensee's license in accordance with the procedures established by the Nebraska Money Transmitters Act or other applicable state law for such suspension or revocation.
- (2) An applicant shall demonstrate that the applicant meets or will meet, and a licensee shall at all times meet, the requirements of sections 8-2730, 8-2731, and 8-2732.

Laws 2025, LB474, § 20

Operative Date: October 1, 2025

8-2716

Licensee; application to acquire control; approval or denial; procedure; appeal; applicability of provisions.

(1) Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain the written approval of the director prior to acquiring control. An individual is not deemed to acquire control of a licensee and is not subject to this section when that individual becomes a key individual for a licensee in the ordinary course of business.

(2) A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in cooperation with the licensee: (a) Submit an application in a form and in a medium prescribed by the director; and (b) Submit a nonrefundable fee of one thousand five hundred dollars with the request for approval.

(3) Upon request, the director may permit a licensee or the person, or group of persons acting in concert, to submit some or all information required by the director pursuant to this section without using the Nationwide Mortgage Licensing System and Registry.

(4) The application required by this section shall include the information required by section 8-2712 for any new key individuals that have not previously completed the requirements of section 8-2712 for a licensee.

(5) When the director determines an application for acquisition of control under this section appears to include all the items and address all of the matters that are required, the application shall be considered complete and the director shall promptly notify the applicant in writing of the date on which the application was determined to be complete.

(6) The director shall approve or deny the application within sixty days after the completion date and, if the application is not approved or denied by the director within sixty days after the completion date, the application is deemed approved and the person, or group of persons acting in concert, are not prohibited from acquiring control of the licensee. The director may for good cause extend such sixty-day period.

(7) A determination by the director that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

(8) When an application is filed and considered complete under this section, the director shall investigate the financial condition, financial responsibility, financial and business experience, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The director shall approve an acquisition of control pursuant to this section if the director finds that all of the following conditions have been fulfilled:

(a) The requirements of subsections (1) and (2) of this section have been met, as applicable; and

(b) The financial condition, financial responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control and the competence, experience, character, and general fitness of the key individuals and persons that would be in control of the licensee after the acquisition of control indicate that it is in the interest of the public to permit the person, or group of persons acting in concert, to control the licensee.

(9) The director shall issue a formal written notice of the denial of an application to acquire control within thirty days after the decision to deny the application. The director shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the director under this section may appeal within thirty days after receipt of the written notice of the denial. The appeal shall be in accordance with the Administrative Procedure Act.

(10) The requirements of this section do not apply to any of the following:

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

(b) A person that acquires control of a licensee by devise or descent;

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

(d) A person that is exempt under subdivision (7) of section [8-2703](#);

(e) A person that the director determines is not subject to this section based on the public interest;

(f) A public offering of securities of a licensee or a person in control of a licensee; or

(g) An internal reorganization of a person in control of the licensee where the ultimate person in control of the licensee remains the same.

(11) Persons described in subdivisions (10)(a), (b), (c), (d), (f), and (g) of this section, in cooperation with the licensee, shall notify the director within fifteen days after the acquisition of control.

(12) Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the director as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the director determines that the person would not be a person in control of a licensee, the proposed person and transaction is not subject to the requirements of this section.

Laws 2025, LB474, § 21

Operative Date: October 1, 2025

8-2717***Key individual; add or replace; notice; disapproval; conditions; appeal.***

(1) A licensee adding or replacing any key individual shall:

(a) Provide notice in a manner prescribed by the director within fifteen days after the date the key individual's appointment became effective; and

(b) Provide the information required by section 8-2712 within forty-five days of the date after the key individual's appointment.

(2) Within ninety days after the date on which the notice provided pursuant to this section was determined to be complete, the director may issue a notice of disapproval of an added or replacement key individual if the director determines that, given the competence, experience, character, or integrity of the individual, permitting the individual to be a key individual of such licensee would not be in the best interest of the public or the customers of the licensee.

(3) A notice of disapproval shall contain a statement of the basis for disapproval and shall be sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval within thirty days after receipt of such notice of disapproval. The appeal shall be in accordance with the Administrative Procedure Act.

(4) If the notice provided pursuant to this section is not disapproved within ninety days after the date on which the notice was determined to be complete, the key individual is deemed approved.

Laws 2025, LB474, § 22

Operative Date: October 1, 2025

8-2718***Report of condition.***

(1) Each licensee shall submit a report of condition within forty-five days after the end of a calendar quarter, or within any extended time as the director may prescribe.

(2) The report of condition shall include:

(a) Financial information at the licensee level;

(b) Nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission;

(c) A permissible investments report of the licensee;

(d) Transaction destination country reporting for money received for transmission, if applicable; and

(e) Any other information the director reasonably requires with respect to the licensee.

(3) The director is authorized to utilize the Nationwide Mortgage Licensing System and Registry for the submission of the report required by this section and is authorized to update as necessary the requirements of this section to carry out the purposes of the Nebraska Money Transmitters Act and maintain consistency with Nationwide Mortgage Licensing System and Registry reporting.

(4) The information required by subdivision (2)(d) of this section shall only be included in a report of condition submitted within forty-five days after the end of the fourth calendar quarter.

Laws 2025, LB474, § 23

Operative Date: October 1, 2025

8-2719

Audited financial statement; other information; filing; requirements.

(1) Each licensee shall, within ninety days after the end of each fiscal year or within any time period after the end of the fiscal year as the director may prescribe, file with the director:

(a) An audited financial statement of the licensee for the fiscal year prepared in accordance with United States generally accepted accounting principles; and

(b) Any other information as the director may reasonably require.

(2) Such audited financial statement shall be prepared by an independent certified public accountant or independent public accountant who is satisfactory to the director.

(3) Such audited financial statement shall include or be accompanied by a certificate of opinion of the independent certified public accountant or independent public accountant that is satisfactory in form and content to the director. If the certificate or opinion is qualified, the director may order the licensee to take any action as the director may find necessary to enable the independent certified public accountant or independent public accountant to remove the qualification.

Laws 2025, LB474, § 24

Operative Date: October 1, 2025

8-2720

Authorized delegate report.

(1) Each licensee shall submit a report of authorized delegates within forty-five days after the end of each calendar quarter. The director is authorized to utilize the Nationwide Mortgage Licensing

System and Registry for the submission of the report required by this section provided that such functionality is consistent with the requirements of this section.

(2) The authorized delegate report shall include, at a minimum, each authorized delegate's:

- (a) Company legal name;
- (b) Taxpayer employer identification number;
- (c) Principal provider identifier;
- (d) Physical address;
- (e) Mailing address;
- (f) Business conducted in other states;
- (g) Fictitious or trade names;
- (h) Contact person name, telephone number, and email;
- (i) Start date as the licensee's authorized delegate;
- (j) End date acting as the licensee's authorized delegate, if applicable; and
- (k) Any other information the director reasonably requires with respect to the authorized delegate.

Laws 2025, LB474, § 25

Operative Date: October 1, 2025

8-2721

Licensee; report to director; when; breach of security of the system; notification.

(1) A licensee shall file a report with the director within one business day after the licensee has reason to know of the occurrence of any of the following events:

- (a) The filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization;
- (b) The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors; or
- (c) The commencement of a proceeding to revoke or suspend the license of a licensee in a state or country in which the licensee engages in business or is licensed.

(2) A licensee shall file a report with the director within three business days after the licensee has reason to know of the occurrence of any of the following events:

(a) A charge or conviction of the licensee or of a key individual or person in control of the licensee for a felony; or

(b) A charge or conviction of an authorized delegate for a felony.

(3)(a) Except as provided in subdivisions (b) and (c) of this subsection, a licensee shall notify the director in writing or through the Nationwide Mortgage Licensing System and Registry within three business days after the time that the licensee becomes aware of any breach of security of the system of computerized data owned or licensed by the licensee, which contains personal information about a Nebraska resident, or the unauthorized access to or use of such information about a Nebraska resident as a result of the breach. For purposes of this subsection, the terms breach of the security of the system and personal information have the same meaning as in section 87-802.

(b) If a licensee would be required under Nebraska law to provide notification to a Nebraska resident regarding such breach, then the licensee shall provide a copy of such notification to the department prior to or simultaneously with the licensee's notification to the Nebraska resident.

(c) Notice required by this subsection may be delayed if a law enforcement agency determines that the notice will impede a criminal investigation. Notice shall be made in good faith and without unreasonable delay as soon as possible after the law enforcement agency determines that notification will no longer impede the investigation.

Laws 2025, LB474, § 26

Operative Date: October 1, 2025

8-2722

Bank Secrecy Act; reporting requirements.

A licensee and an authorized delegate shall file all reports required by the federal currency reporting, record-keeping, and suspicious activity reporting requirements set forth in the Bank Secrecy Act and other federal and state laws pertaining to money laundering. The timely filing of a complete and accurate report required under this section with the appropriate federal agency is deemed to be in compliance with the requirements of this section.

Laws 2025, LB474, § 27

Operative Date: October 1, 2025

8-2723

Records; maintenance; requirements.

(1) A licensee shall maintain the following records, for determining the licensee's compliance with the Nebraska Money Transmitters Act, for at least five years:

- (a) A record of each outstanding money transmission obligation sold;
 - (b) A general ledger posted at least monthly containing all asset, liability, capital, income, and expense accounts;
 - (c) Bank statements and bank reconciliation records;
 - (d) Records of outstanding money transmission obligations;
 - (e) Records of each outstanding money transmission obligation paid;
 - (f) A list of the last-known names and addresses of all of the licensee's authorized delegates; and
 - (g) Any other records the director reasonably requires by rule or regulation.
- (2) The items specified in subsection (1) of this section may be maintained in any form of record.
- (3) Records specified in subsection (1) of this section may be maintained outside this state if they are made accessible to the director within seven business days after notice.
- (4) All records maintained by the licensee as required in subsection (1) of this section are subject to inspection by the director pursuant to section 8-2707.

Laws 2025, LB474, § 28
Operative Date: October 1, 2025

8-2724

Authorized delegate; authorized; procedures.

- (1) Before a licensee is authorized to conduct business through an authorized delegate or allows a person to act as the licensee's authorized delegate, the licensee shall:
- (a) Adopt, and update as necessary, written policies and procedures reasonably designed to ensure that the licensee's authorized delegates comply with applicable state and federal law;
 - (b) Enter into a written contract that complies with subsection (3) of this section; and
 - (c) Conduct a reasonable risk-based background investigation sufficient for the licensee to determine whether the authorized delegate has complied and will likely comply with applicable state and federal law.
- (2) An authorized delegate shall operate in full compliance with the Nebraska Money Transmitters Act.

(3) The written contract required by subdivision (1)(b) of this section shall be signed by the licensee and the authorized delegate and, at a minimum, also shall:

(a) Appoint the person signing the contract as the licensee's authorized delegate with the authority to conduct money transmission on behalf of the licensee;

(b) Set forth the nature and scope of the relationship between the licensee and the authorized delegate and the respective rights and responsibilities of the parties;

(c) Require the authorized delegate to agree to fully comply with all applicable state and federal laws, rules, and regulations pertaining to money transmission, including the Nebraska Money Transmitters Act and the rules and regulations implementing the act, the Bank Secrecy Act, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001;

(d) Require the authorized delegate to remit and handle money and monetary value in accordance with the terms of the contract between the licensee and the authorized delegate;

(e) Impose a trust on money and monetary value net of fees received for money transmission for the benefit of the licensee;

(f) Require the authorized delegate to prepare and maintain records as required by the Nebraska Money Transmitters Act or the rules and regulations implementing the act, or as reasonably requested by the director;

(g) Acknowledge that the authorized delegate consents to examination or investigation by the director;

(h) State that the licensee is subject to regulation by the director and that, as part of that regulation, the director may suspend or revoke an authorized delegate designation or require the licensee to terminate an authorized delegate designation; and

(i) Acknowledge receipt of the written policies and procedures required under subdivision (1)(a) of this section.

(4) If the licensee's license is suspended, revoked, canceled, surrendered, or expired, the licensee shall, within five business days, provide documentation to the director that the licensee has notified all applicable authorized delegates of the licensee whose names are in a record filed with the director of the suspension, revocation, cancellation, surrender, or expiration of the license. Upon suspension, revocation, cancellation, surrender, or expiration of the license, applicable authorized delegates shall immediately cease to provide money transmission as an authorized delegate of the licensee.

(5) An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission. If any authorized delegate commingles any funds received from money transmission with any other funds or property owned or controlled by the

authorized delegate, all commingled funds and other property shall be considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission by the authorized delegate on behalf of the licensee.

(6) An authorized delegate may not use a subdelegate to conduct money transmission on behalf of a licensee.

Laws 2025, LB251, § 18

Laws 2025, LB474, § 29

Changes made by LB251 became effective March 12, 2025. Changes made by LB474 became operative October 1, 2025.

8-2725

License required; liability for money transmission for unlicensed or nonexempt person.

A person shall not engage in the business of money transmission on behalf of a person not licensed under the Nebraska Money Transmitters Act or not exempt from the act pursuant to section 8-2703. A person that engages in such business and provides money transmission to the same extent as if the unlicensed or nonexempt person were a licensee shall be jointly and severally liable with the unlicensed or nonexempt person.

Laws 2025, LB474, § 30

Operative Date: October 1, 2025

8-2726

Licensee; money transmission; duties.

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

(2) If a licensee does not forward money received for transmission in accordance with this section, the licensee shall respond to inquiries by the sender with the reason for not forwarding the money unless providing a response would violate a state or federal law, rule, or regulation.

Laws 2025, LB474, § 31

Operative Date: October 1, 2025

8-2727

Refunds.

(1) This section does not apply to:

(a) Money received for transmission subject to the federal remittance rule; or

(b) Money received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee.

(2) Every licensee shall refund to the sender within ten days after receipt of the sender's written request for a refund of any and all money received for transmission unless any of the following occurs:

(a) The money has been forwarded within ten days after the date on which the money was received for transmission;

(b) Instructions have been given committing an equivalent amount of money to the person designated by the sender within ten days after the date on which the money was received for transmission;

(c) The agreement between the licensee and the sender instructs the licensee to forward the money at a time that is beyond ten days after the date on which the money was received for transmission. If funds have not yet been forwarded in accordance with the terms of the agreement between the licensee and the sender, the licensee shall issue a refund in accordance with the other provisions of this section;

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

(e) The refund request does not enable the licensee to:

(i) Identify the sender's name and address or telephone number; or

(ii) Identify the particular transaction to be refunded in the event the sender has multiple transactions outstanding.

Laws 2025, LB474, § 32

Operative Date: October 1, 2025

8-2728

Receipt for money received for transmission.

(1) This section does not apply to:

(a) Money received for transmission subject to the federal remittance rule; or

(b) Money received for transmission that is not primarily for personal, family, or household purposes;

(c) Money received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee; or

(d) Payroll processing services.

(2)(a) Every licensee or authorized delegate shall provide the sender a receipt for money received for transmission.

(b) The receipt shall contain the following information, as applicable:

(i) The name of the sender;

(ii) The name of the designated recipient;

(iii) The date of the transaction;

(iv) The unique transaction or identification number;

(v) The name of the licensee, the Nationwide Mortgage Licensing System and Registry unique identification, the licensee's business address, and the licensee's customer service telephone number;

(vi) If not available on the licensee's website or mobile application, the name and telephone number of the department and a statement that the licensee's customers can contact the department with questions or complaints about the licensee's money transmission services;

(vii) The amount of the transaction in United States dollars;

(viii) Any fee charged by the licensee to the sender for the transaction; and

(ix) Any tax collected by the licensee from the sender for the transaction.

(c) For a transaction conducted in person, the receipt may be provided electronically if the sender requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by telephone, a receipt may be provided electronically. All electronic receipts shall be provided in a retainable form.

(d) The receipt required by this subsection shall be in English and in the language principally used by the licensee or authorized delegate to advertise, solicit, or negotiate, either orally or in writing, for a transaction conducted in person, electronically, or by telephone, if other than English.

Laws 2025, LB474, § 33

Operative Date: October 1, 2025

8-2729***Payroll processing services.***

- (1) A licensee that provides payroll processing services shall:
- (a) Issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account; and
 - (b) Make available employee paystubs or an equivalent statement to employees.
- (2) This section does not apply to a licensee providing payroll processing services where the licensee's client designates the intended recipients to the licensee and is responsible for providing the disclosures required by subdivision (1)(b) of this section.

Laws 2025, LB474, § 34

Operative Date: October 1, 2025

8-2730***Licensee; net worth requirements.***

- (1) A licensee shall maintain at all times a net worth of the greater of one hundred thousand dollars or three percent of the licensee's total assets for the first one hundred million dollars, two percent of additional assets for over one hundred million dollars to one billion dollars, and one-half percent of additional assets for over one billion dollars.
- (2) Net worth shall be demonstrated at initial application by the applicant's most recent audited or, if allowed by the director, unaudited financial statements provided pursuant to subdivision (2)(f) of section 8-2711.
- (3) Notwithstanding subsections (1) and (2) of this section, the director shall have the authority, for good cause shown, to exempt any applicant or licensee, in part or in whole, from the requirements of subsections (1) and (2) of this section.

Laws 2025, LB474, § 35

Operative Date: October 1, 2025

8-2731***Surety bond.***

- (1) An applicant for a money transmission license shall provide, and a licensee at all times shall maintain, security consisting of a surety bond in a form satisfactory to the director.
- (2) The amount of the surety bond required by subsection (1) of this section shall be the greater of one hundred thousand dollars or an amount equal to one hundred percent of the licensee's average daily money transmission liability in this state calculated for the most recently completed three-month period, up to a maximum of five hundred thousand dollars. A licensee that maintains a bond

in the maximum amount provided for in this subsection shall not be required to calculate its average daily money transmission liability in this state for purposes of this subsection.

(3) The surety bond required by subsection (1) of this section shall remain in effect until cancellation, which may occur only after thirty days' written notice to the director. Cancellation shall not affect any liability incurred or accrued during the period the surety bond was in effect.

(4) Any claimant against the licensee may file a claim or bring suit directly on the surety bond required by subsection (1) of this section. The director may also file a claim or bring suit on behalf of any claimant, either in one action or in successive actions.

Laws 2025, LB474, § 36

Operative Date: October 1, 2025

8-2732

Permissible investments; requirements.

(1) A licensee shall maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of its outstanding money transmission obligations.

(2) Except for permissible investments described in subsection (1) of section 8-2733, the director, with respect to any licensee, may, by order, limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers, not reflected in the market value of the investment.

(3) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency, the filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization, the filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for dissolution or reorganization, or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust.

(4) No permissible investments held in trust pursuant to subsection (3) of this section shall be subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of this statutory trust.

(5) Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis for permissible investments required to be held in this state, and other states, as applicable. Any statutory trust established under this subsection shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

(6) The director, by rule or order, may allow any other type of investment, that the director determines is of sufficient liquidity and quality, to be a permissible investment. The director is authorized to participate in efforts with other state regulators to determine whether other types of investments are of sufficient liquidity and quality to be a permissible investment.

Laws 2025, LB474, § 37

Operative Date: October 1, 2025

8-2733

Permissible investments; types.

(1) The following investments are permissible investments for the purposes of section 8-2732:

(a) Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers in a federally insured depository financial institution;

(b) Cash equivalents, including automated clearinghouse items in transit to the licensee, automated clearinghouse items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card-funded or credit card-funded transmission receivables owed by any financial institution, or money market mutual funds rated AAA by Standard and Poor's Corporation or the equivalent from any other eligible rating service;

(c) Certificates of deposit or senior debt obligations of an insured depository institution as defined in the Federal Deposit Insurance Act or an insured credit union as defined in the Federal Credit Union Act;

(d) An obligation of the United States or a commission, agency, or instrumentality thereof;

(e) An obligation that is guaranteed fully as to principal and interest by the United States;

(f) An obligation of a state or a governmental subdivision, agency, or instrumentality thereof; and

(g)(i) The full drawable amount of an irrevocable standby letter of credit, for which the stated beneficiary is the director, that stipulates that the beneficiary need only draw a sight draft under the letter of credit and present it to obtain funds up to the letter of credit amount within seven days after presentation of the items required by this subdivision.

(ii) The letter of credit shall:

(A) Be issued by a federally insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state and such bank bears an eligible rating or whose parent company bears an eligible rating and is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies;

(B) Be irrevocable and unconditional and indicate that such letter of credit is not subject to any condition or qualifications outside of the letter of credit;

(C) Not contain reference to any other agreements, documents, or entities, or otherwise provide for any security interest in the licensee; and

(D) Contain an issue date and expiration date and expressly provide for automatic extension, without a written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the director in writing, by certified or registered mail or courier mail or other receipted means, at least sixty days prior to any expiration date that the irrevocable letter of credit will not be extended.

(iii) In the event of any notice of expiration or nonextension of a letter of credit, the licensee shall be required to demonstrate to the satisfaction of the director, fifteen days prior to expiration, that the licensee maintains and will maintain permissible investments in accordance with subsection (1) of section 8-2732 upon the expiration of the letter of credit. If the licensee is not able to do so, the director may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with subsection (1) of section 8-2732. Any such draw shall be offset against the licensee's outstanding money transmission obligations. The drawn funds shall be held in trust by the director or the director's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations.

(iv) The letter of credit shall provide that the issuer of the letter of credit will honor, at sight, a presentation made by the beneficiary to the issuer of the following documents on or prior to the expiration date of the letter of credit:

(A) The original letter of credit, including any amendments; and

(B) A written statement from the beneficiary stating that any of the following events have occurred:

(I) The filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization;

(II) The filing of a petition by or against the licensee for receivership or the commencement of any other judicial or administrative proceeding for dissolution or reorganization;

(III) The seizure of assets of a licensee by a director pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the insolvency of the licensee; or

(IV) The beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with subsection (1) of section 8-2732 upon the expiration or nonextension of the letter of credit.

(v) The director may designate an agent to serve on the director's behalf as beneficiary to a letter of credit so long as the agent and letter of credit meet requirements established by the director. The director's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of this section are assigned to the director.

(vi) The director is authorized to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including, but not limited to, services provided by the Nationwide Mortgage Licensing System and Registry and State Regulatory Registry LLC.

(2) Unless permitted by the director, by rule or order, to exceed the limit as set forth in this section, the following investments are permissible investments for the purposes of section 8-2732 to the extent specified:

(a) Receivables that are payable to a licensee from authorized delegates in the ordinary course of business, received by the authorized delegates less than seven days old, and combined not exceeding fifty percent of the aggregate value of the licensee's total permissible investments, and receivables that are payable to a licensee from a single authorized delegate in the ordinary course of business, received by the authorized delegate less than seven days before, and combined not exceeding ten percent of the aggregate value of the licensee's total permissible investments;

(b) The following investment categories are permissible up to twenty percent of the aggregate value of the licensee's total permissible investments for each investment category and up to fifty percent of the aggregate value of the licensee's total permissible investments for all of the investment categories combined:

(i) A short-term, up to six months, investment bearing an eligible rating;

(ii) Commercial paper bearing an eligible rating;

(iii) A bill, note, bond, or debenture bearing an eligible rating;

(iv) A United States tri-party repurchase agreement collateralized at one hundred percent or more with United States Government or agency securities, municipal bonds, or other securities bearing an eligible rating;

(v) A money market mutual fund rated less than AAA and equal to or higher than A- by Standard and Poor's Corporation, or the equivalent from any other eligible rating service; and

(vi) A mutual fund or other investment fund composed solely and exclusively of one or more permissible investments described in subdivisions (1)(a) through (c) of this section; and (c) Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers, at foreign depository institutions are permissible up to ten percent of the aggregate value of the licensee's total permissible investments if the licensee has received a satisfactory rating in the licensee's most recent examination and the foreign depository institution:

- (i) Has an eligible rating;
- (ii) Is registered under the Foreign Account Tax Compliance Act;
- (iii) Is not located in any country subject to sanctions from the Office of Foreign Assets Control;
and
- (iv) Is not located in a high-risk or noncooperative jurisdiction as designated by the Financial Action Task Force.

Laws 2025, LB474, § 38
Operative Date: October 1, 2025

8-2734

Suspension, revocation, cancellation, surrender, or expiration of license; conditions; effect.

- (1) The director may, following a hearing in accordance with the Administrative Procedure Act, suspend or revoke a license or order a licensee to revoke the designation of an authorized delegate if:
 - (a) The licensee violates the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or an order issued under the act;
 - (b) The licensee does not cooperate with an examination or investigation by the director;
 - (c) The licensee willfully failed to make any report required by the act;
 - (d) The licensee engages in fraud, intentional misrepresentation, or gross negligence;
 - (e) An authorized delegate is convicted of a violation of a state or federal anti-money laundering statute, or violates a rule or regulation adopted and promulgated or an order issued under the act, as a result of the licensee's willful misconduct or willful blindness;
 - (f) The competence, experience, character, or general fitness of the licensee, authorized delegate, person in control of a licensee, key individual, or responsible person of the authorized delegate indicates that it is not in the public interest to permit the person to provide money transmission;
 - (g) The licensee engages in an unsafe or unsound practice;
 - (h) The licensee is insolvent, suspends payment of the licensee's obligations, or makes a general assignment for the benefit of its creditors; or
 - (i) The licensee does not remove an authorized delegate after the director issues and serves upon the licensee a final order including a finding that the authorized delegate has violated the Nebraska Money Transmitters Act.

(2) In determining whether a licensee is engaging in an unsafe or unsound practice, the director may consider the size and condition of the licensee's money transmission, the magnitude of the loss, the gravity of the violation of the Nebraska Money Transmitters Act, and the previous conduct of the person involved.

(3) A licensee may voluntarily surrender a license by delivering to the director written notice of the surrender.

(4) If a licensee fails to maintain a surety bond as required by section 8-2731, the department may issue a notice of cancellation of the license in lieu of revocation proceedings.

(5) Suspension, revocation, cancellation, surrender, or expiration of a license shall not impair or affect the obligation of a preexisting lawful contract between the licensee and any person.

(6) Suspension, revocation, cancellation, surrender, or expiration of a license shall not affect civil or criminal liability for acts committed before the suspension, revocation, cancellation, surrender, or expiration or liability for any fines which may be levied against the licensee or any of its key individuals, executive officers, managers, directors, trustees, or other persons exercising managerial authority of a licensee for acts committed before the suspension, revocation, cancellation, surrender, or expiration.

Laws 2025, LB474, § 39

Operative Date: October 1, 2025

8-2735

Authorized delegate; suspend or revoke designation; grounds; relief.

(1) The director may issue an order suspending or revoking the designation of an authorized delegate if the director finds that:

(a) The authorized delegate violated the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or an order issued under the act;

(b) The authorized delegate did not cooperate with an examination or investigation by the director;

(c) The authorized delegate engaged in fraud, intentional misrepresentation, or gross negligence;

(d) The authorized delegate is convicted of a violation of a state or federal anti-money-laundering statute;

(e) The competence, experience, character, or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money transmission; or

(f) The authorized delegate is engaging in an unsafe or unsound practice.

(2) In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the director may consider the size and condition of the authorized delegate's provision of money transmission, the magnitude of the loss, the gravity of the violation of the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or order issued under the act, and the previous conduct of the authorized delegate.

(3) An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate according to procedures prescribed by the director.

Laws 2025; LB474, § 40

Operative Date: October 1, 2025

8-2736

Cease and desist; order; procedure.

(1) If the director determines that a violation of the Nebraska Money Transmitters Act or of a rule or regulation adopted and promulgated or an order issued under the act by a licensee or authorized delegate is likely to cause immediate and irreparable harm to the licensee, the licensee's customers, or the public as a result of the violation, or cause insolvency or significant dissipation of assets of the licensee, the director may issue an order requiring the licensee or authorized delegate to cease and desist from the violation. The order becomes effective upon service of the order upon the licensee or authorized delegate.

(2) The director may issue an order against a licensee to cease and desist from providing money transmission through an authorized delegate that is the subject of a separate order by the director.

(3) An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to the Administrative Procedure Act.

(4) A licensee or an authorized delegate that is served with an order to cease and desist may petition the district court of Lancaster County for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to the Administrative Procedure Act.

(5) Upon entry of an order to cease and desist, the director shall promptly notify the affected person that such order has been entered and provide opportunity for hearing in accordance with the Administrative Procedure Act

Laws 2025, LB474, § 41

Operative Date: October 1, 2025

8-2737

Consent order.

The director may enter into a consent order at any time with a person to resolve a matter arising under the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or

order issued under the act. A consent order shall be signed by the person to whom the order is issued or by the person's authorized representative, and shall indicate agreement with the terms contained in the order. A consent order may provide that it does not constitute an admission by a person that the act or a rule or regulation adopted and promulgated or an order issued under the act has been violated.

Laws 2025, LB474, § 42
Operative Date: October 1, 2025

8-2738

Violation; penalty.

(1) Except as provided in subsections (2) and (3) of this section, any person violating the Nebraska Money Transmitters Act or any rule, regulation, or order of the director adopted, promulgated, or issued pursuant to the act or who engages in any act, practice, or transaction declared by the act to be unlawful is guilty of a Class III misdemeanor.

(2) A person who intentionally makes a false statement, misrepresentation, or false certification in a record filed or required to be maintained under the Nebraska Money Transmitters Act or who intentionally makes a false entry or omits a material entry in such a record is guilty of a Class I misdemeanor.

(3) An individual who knowingly engages in money transmission for which a license is required under the Nebraska Money Transmitters Act without being licensed under the act is guilty of a Class I misdemeanor.

Laws 2025, LB474, § 43
Operative Date: October 1, 2025

8-2739

Violation; fine; amount.

The director may assess a fine against a person that violates the Nebraska Money Transmitters Act or a rule or regulation adopted and promulgated or an order issued under the act in an amount not to exceed five thousand dollars per violation per day for each day the violation is outstanding, plus the department's and the State of Nebraska's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney's fees.

Laws 2025, LB474, § 44
Operative Date: October 1, 2025

8-2740

Money transmission; unlicensed person; cease and desist order; temporary restraining order.

(1) If the director has reason to believe that a person has violated or is violating section 8-2709, the director may issue an order to cease and desist requiring that the person cease and desist from the violation of section 8-2709.

(2) In an emergency, the director may petition the district court of Lancaster County for the issuance of a temporary restraining order ex parte pursuant to the rules of civil procedure.

(3) An order to cease and desist becomes effective when issued by the director.

(4) An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to the Administrative Procedure Act.

(5) A person that is served with an order to cease and desist for violating section 8-2709 may petition the district court of Lancaster County for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to the Administrative Procedure Act.

(6) Upon entry of an order to cease and desist, the director shall promptly notify the affected person that such order has been entered and provide opportunity for hearing in accordance with the Administrative Procedure Act.

Laws 2025, LB474, § 45

Operative Date: October 1, 2025

8-2741

Fees, charges, costs, fines; remittance.

(1) The department shall remit all fees, charges, and costs collected by the department pursuant to the Nebraska Money Transmitters Act to the State Treasurer for credit to the Financial Institution Assessment Cash Fund.

(2) The department shall remit fines collected under the act to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

Laws 2025, LB474, § 46

Operative Date: October 1, 2025

8-2742

Adoption of federal law by reference.

For purposes of the Nebraska Money Transmitters Act:

(1) 31 C.F.R. 1010.100 means 31 C.F.R. 1010.100, as such regulation existed on January 1, 2025;

(2) Bank Secrecy Act means the Bank Secrecy Act, 31 U.S.C. 5311 et seq., and the implementing regulations of such act, as such act and regulations existed on January 1, 2025;

(3) Bank Service Company Act means the Bank Service Company Act, 12 U.S.C. 1861 et seq., as such act existed on January 1, 2025;

- (4) Commodity Exchange Act means the Commodity Exchange Act, 7 U.S.C. 1 et seq., as such act existed on January 1, 2025;
- (5) Edge Act means the Edge Act, 12 U.S.C. 611 et seq., as such act existed on January 1, 2025;
- (6) Federal Credit Union Act means the Federal Credit Union Act, 12 U.S.C. 1751 et seq., as such act existed on January 1, 2025;
- (7) Federal Deposit Insurance Act means the Federal Deposit Insurance Act, 12 U.S.C. 1811 et seq., as such act existed on January 1, 2025;
- (8) Federal remittance rule means 12 C.F.R. part 1005, subpart B, as such regulation existed on January 1, 2025;
- (9) Foreign Account Tax Compliance Act means the Foreign Account Tax Compliance Act, 26 U.S.C. 1471 et seq., as such act existed on January 1, 2025;
- (10) International Banking Act of 1978 means the International Banking Act of 1978, 12 U.S.C. 3101 et seq., as such act existed on January 1, 2025;
- (11) Securities Exchange Act of 1934 means the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq., as such act existed on January 1, 2025;
- (12) United States Bankruptcy Code means 11 U.S.C. 101 et seq., as such sections existed on January 1, 2025; and
- (13) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as such act existed on January 1, 2025.

Laws 2025, LB474, § 47
Operative Date: October 1, 2025

8-2743

Repealed. Laws 2025, LB474, § 144.

8-2744

Repealed. Laws 2025, LB474, § 144.

8-2745

Repealed. Laws 2025, LB474, § 144.

8-2746

Repealed. Laws 2025, LB474, § 144.

8-2747

Repealed. Laws 2025, LB474, § 144.

8-2748

Repealed. Laws 2016, LB778, § 9.
