



**IDAHO**  
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

November 27, 2007

RE: MetaBank Prepaid Card and Gift Card

Dear M

We have reviewed and discussed your letter of November 9, 2007 wherein you seek guidance regarding the applicability of the Idaho Money Transmitters Act (IMTA) to the business model detailed in you letter. In connection with your inquiry, we provide the following.

Background - As noted in your letter, \_\_\_\_\_ has contracted with MetaBank to offer and sell Visa Gift Cards and the MetaBank Prepaid Visa Debit Card.

Idaho Code § 26-2902(13) defines a payment instrument to include "any check, draft, money order, traveler's check, **or other instrument** or written order for the transmission or payment of money..." (emphasis added). Further, money transmission is defined to include the sale or issuance of payment instruments (I.C. § 26-2902(13)).

For your information, the Department of Finance has long taken the position that cards such as broad, multi-merchant gift cards and prepaid debit cards are payment instruments, thereby falling within the legal requirements of the Idaho Money Transmitters Act.

Issue of Licensure - Since money transmission is anticipated under \_\_\_\_\_ contract with MetaBank, the only question remaining is whether the activity can be conducted without the benefit of licensure under the IMTA.

Idaho Code §26-2904 provides various exemptions from the provisions of the IMTA. More specifically, I.C. §26-2904(d) states that the IMTA shall not apply to "Banks, credit unions, savings and loan associations, savings banks or mutual banks organized under the laws of any state or the United States, **provided that they do not issue or sell payment instruments through authorized delegates who are not banks, credit unions, savings and loan associations, savings banks or mutual banks**" (emphasis added).

Based on the above criteria, it does not appear that \_\_\_\_\_ or MetaBank would be able to operate the described business model without the benefit of licensure under the IMTA. More specifically, we cannot at this time agree that \_\_\_\_\_, acting as an "authorized

**SECURITIES BUREAU**  
800 Park Blvd., Suite 200, Boise, ID 83712  
Mail To: P.O. Box 83720, Boise ID 83720-0031  
Phone: (208) 332-8004 Fax: (208) 332-8099  
<http://finance.idaho.gov>

PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS

delegate” of MetaBank, is entitled to the exclusion for financial institutions. As to MetaBank, the bank will be offering money transmission services through authorized delegates who are not financial institutions and thereby not within the ambit of the exclusory language of I.C. §26-2904<sup>1</sup>.

Conclusion - As noted in the preceding paragraph, we believe that the proposed business model will require that at least one entity become licensed under the IMTA and that the load/sales points be contracted as authorized representatives under the IMTA. If you would like to discuss the various licensing models that might be applied given the described business model, please feel free to contact the undersigned directly.

Should you have any questions or comments, or wish to discuss this matter in greater detail, please also contact me directly at (208) 332-8080.

Sincerely,

James A. Burns  
Investigations Chief

---

<sup>1</sup> You have indicated that the program processor, \_\_\_\_\_, is a licensed money transmitter. If \_\_\_\_\_ were to become licensed in Idaho, \_\_\_\_\_ could conceivably become an authorized delegate of \_\_\_\_\_ in order to engage in the activities that you have described.

RECEIVED

November 9, 2007

2007 NOV 13 AM 9:49

STATE OF IDAHO  
DEPT OF FINANCE

VIA OVERNIGHT DELIVERY

Mr. Michael Larsen  
Department of Finance  
Consumer Finance Bureau  
800 Park Blvd, Suite 200  
Boise, ID 83712

Re:

Sale of Bank's Prepaid Card and Gift Card

Dear Mr. Larsen:

As you know we value our good relationship with you. We work closely with our regulators to keep you informed of any Company changes, so that we always operate in compliance with federal and state laws and regulations. As such, we are pleased to announce that entered into an agreement with Bank to market, sell and distribute, as the authorized delegate of Bank, the Bank Prepaid VISA Debit Card (hereinafter the "BANK VISA") and VISA Gift Card.

We also understand that pursuant to § 28-46-413(8) of the Idaho Code, "a licensee may conduct other business at a location where it engages in payday lending unless it carries on such business for the purpose of evading or violating the provisions of this act." As such, we are requesting your approval to market, sell and distribute this "other business" in our centers, i.e. the BANK VISA and VISA Gift Card.

BANK VISA

We are very excited about this new product, and the opportunity we will have to market this financial tool to our customers. As you know, prepaid debit cards provide customers with a worldwide range of financial options. The BANK VISA will be accepted anywhere in the world that VISA debit cards are accepted - and in addition, will be accepted at thousands of ATMs.

Bank is a federally chartered savings association regulated by the Office of Thrift Supervision, with its home office in Sioux Falls, South Dakota. Bank's prepaid cards are bank products, owned, operated and controlled by Bank, and sold by authorized delegates of the bank all over the country and in several foreign countries.

Bank stands behind all of its products and remains ultimately responsible to the cardholder for any loss of funds.

Bank carefully reviews and approves each selling entity. As an authorized delegate of the Bank, \_\_\_\_\_ has agreed to comply with Bank's rules, instructions and procedures. In addition, \_\_\_\_\_ will now be subject to the authority of Bank's regulator, the Office of Thrift Supervision ("OTS"). Please note that the OTS retains complete authority to approve or disapprove any seller, and may at any time cancel the sales agreement with \_\_\_\_\_

Enclosed is a letter from \_\_\_\_\_ Bank and an attached product description. Please note that all cardholder funds will be held by \_\_\_\_\_ Bank in a custodial account held on behalf of cardholders and will be managed by \_\_\_\_\_ Bank's third party card processor, \_\_\_\_\_ Corporation. The funds underlying such cards are, to the extent permitted by applicable law, fully insured on a "pass through" basis, by the FDIC (Federal Deposit Insurance Corporation). Thus, consumer's funds are fully protected in accordance with federal regulations, which preempt state laws and regulations.

#### VISA GIFT CARDS

If approved, we plan to sell the VISA Gift Cards to anyone interested in purchasing such cards for gift-giving or other personal use, regardless of whether they do business with us in any other capacity. The cards we propose offering can be for any amount up to \$250 and will be sold for a price of less than \$5.00 per card.

The VISA Gift Card can be used at any retailer where VISA is accepted and has all the benefits of the VISA network (such as lost/stolen protection), making it an excellent option for gift-giving. Once the recipient has spent the amount of the card, the card will no longer be operational and cannot be reloaded. Additionally, the card cannot be used to redeem cash at a bank or other financial institution, and will not be operational at any automated teller machines. The cards are issued by \_\_\_\_\_ Bank who receives and administers the funds on the cards. We are the authorized delegate of \_\_\_\_\_ Bank as a seller of the cards.

#### SEPARATE TRANSACTIONS

The sale of the \_\_\_\_\_ BANK VISA and the VISA Gift Cards will be completely separate transactions from any payday loan transaction conducted at our centers, with separate books and records.

Due to direct federal regulation by the OTS of \_\_\_\_\_ Bank, its authorized delegate \_\_\_\_\_ and the \_\_\_\_\_ BANK VISA and VISA Gift Card, it is our understanding that \_\_\_\_\_ Bank and its authorized delegates including \_\_\_\_\_ are exempt from state money transmitter licensing requirements, either due to an explicit exemption under the terms of the state licensing laws (that exclude supervised banks from licensing requirements), or under the Doctrine of Federal Preemption.

November 9, 2007

Page 3 of 3

Idaho Code § 26-2904 provides various exemptions from the provisions of the Idaho Money Transmitter Act and states, "...authorized representatives of a licensee, acting within the scope of authority conferred by a written contract conforming to the requirements of section 26-2918, Idaho Code, shall not be required to obtain a license pursuant to this chapter."

Even though we do not feel Bank's products require Bank of to obtain an Idaho Money Transmitter License, Bank's processor is a licensed Money Transmitter. It is our understanding that competitors are distributing prepaid and gift cards issued by other banks and processed by Again, we desire to maintain a good working relationship with you; therefore, if our understanding is incorrect, please let us know.

Our goal is to offer consumers a variety of financial service options including payday loan transactions, the BANK VISA CARD and the VISA Gift Card. We look forward to better serving our customer's financial demands. Please let us know at your earliest convenience if these new product offerings meet with the Division's approval as we would like to launch these products within the next 30 days.

If you have any questions for Bank regarding the BANK VISA CARDS, please give me a call at so that we can put you directly in touch with Bank and its legal counsel.

Very truly yours,

Vice President -- Legal & Regulatory Affairs

Enclosure





**IDAHO**  
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

October 4, 2007

Re:

Dear M

We thank you for the clarifying information contained in your letter of October 2, 2007 regarding the business model.

In furtherance of our prior communication and with the additional clarifications in mind, we remain of the opinion that [redacted] will need to become licensed as a money transmitter in Idaho to engage in the described activities.

Should you have additional questions or if you would like to submit additional information that may be relevant to our consideration of this matter, please feel free to contact the undersigned directly.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Burns".

James A. Burns  
Investigations Chief

SECURITIES BUREAU

800 Park Blvd., Suite 200, Boise, ID 83712  
Mail To: P.O. Box 83720, Boise ID 83720-0031  
Phone: (208) 332-8004 Fax: (208) 332-8099  
<http://finance.idaho.gov>

RECEIVED

2007 OCT -3 AM 9:56

STATE OF IDAHO  
DEPARTMENT OF FINANCE

October 2, 2007

**CONFIDENTIAL TREATMENT REQUESTED**

**BY FEDERAL EXPRESS**

James A. Burns  
Investigations Chief  
Securities Bureau  
Department of Finance  
800 Park Blvd, Suite 200  
Boise, ID 83712

Re:

Dear Mr. Burns:

In a letter dated December 12, 2006, we requested an opinion from the Department of Finance on behalf of our client, \_\_\_\_\_, as to whether \_\_\_\_\_ is engaged in the business of money transmission in Idaho pursuant to the Idaho Money Transmitters Act, and, as a result, whether \_\_\_\_\_ subject to the licensing requirements of that statute.

In a subsequent letter dated January 17, 2007, you raised an additional question regarding specific aspects of the services \_\_\_\_\_ offers in Idaho. Based on the information received from \_\_\_\_\_, responses to your questions are below.

*...[I]t remains unclear whether any funds provided to or handled by \_\_\_\_\_ have, by contract, the same legal standing as a payment made directly to the ultimate recipient of the funds. More directly, do \_\_\_\_\_ clients guarantee that funds paid to or through \_\_\_\_\_ will be treated the same as any payment made directly to the recipient (whether or not the recipient ever receives the funds from*

Payments made through \_\_\_\_\_ are not guaranteed until the payments are received and accepted by the payee. This is disclosed in \_\_\_\_\_ Terms of Use, which are accepted by each payor prior to submission of their payment.

We apologize for the delay in providing these responses to you. Over the last several months, \_\_\_\_\_ parent company, \_\_\_\_\_ has been evaluating its strategic direction and how best to deploy its financial and managerial resources. As a result of this effort, \_\_\_\_\_ has now determined to focus on its core

James A. Burns  
October 2, 2007  
Page 2

competency in electronic payment processing and has undertaken to divest certain business units or lines of business not fully consistent with this focus. The delay in the response was due to uncertainties regarding which business(es) would be divested and how the business model for those retained might be modified.

We respectfully request confidential treatment of this letter because of the non-public information it contains.

Please let us know if you have any additional questions regarding      Thank you for your assistance.

Best regards,

cc:



**IDAHO**  
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

January 17, 2007

Re:

Dear M

Your letter of December 12, 2006 requests interpretive guidance regarding the applicability of the Idaho Money Transmitters Act to the business activities being conducted or anticipated to be conducted by \_\_\_\_\_ in Idaho.

The description of \_\_\_\_\_ activities support a conclusion that a money transmission business is being effected by \_\_\_\_\_ as defined in Idaho Code §26-2902(11). However, you argue that \_\_\_\_\_ should be viewed as a party exempt from the Idaho Money Transmitters Act since \_\_\_\_\_ acts as an extension (agent) of some parties that are exempt from the Act pursuant to Idaho Code §26-2904.

For your information, the Department has not previously extended the exemptions of Idaho Code §26-2904 to contractors associated with exempt parties. Moreover, it does not appear that all of parties that \_\_\_\_\_ provides services for in Idaho meet the described exemptions (e.g., private schools).

Finally, it remains unclear whether any funds provided to or handled by \_\_\_\_\_ have, by contract, the same legal standing as a payment made directly to the ultimate recipient of the funds. More directly, do \_\_\_\_\_ clients guarantee that funds paid to or through \_\_\_\_\_ will be treated the same as any payment made directly to the recipient (whether or not the recipient ever receives the funds from \_\_\_\_\_).

Based on the facts presented in your letter, we are of the formative opinion that \_\_\_\_\_ will need to become licensed as a money transmitter in Idaho to engage in the described activities.

Should you have additional questions or if you would like to submit additional information that may be relevant to our consideration of this matter, please feel free to contact the undersigned directly.

Sincerely,

James A. Burns  
Investigations Chief

SECURITIES BUREAU

800 Park Blvd., Suite 200, Boise, ID 83712  
Mail To: P.O. Box 83720, Boise ID 83720-0031  
Phone: (208) 332-8004 Fax: (208) 332-8099  
<http://finance.idaho.gov>

RECEIVED

DEC 14 2006

DEPT. OF FINANCE  
STATE OF IDAHO

December 12, 2006

**CONFIDENTIAL TREATMENT REQUESTED**

**BY FEDERAL EXPRESS**

Mr. James Burns  
Investigations Chief  
Department of Finance  
800 Park Blvd, Suite 200  
Boise, ID 83712

Re: Licensing Status  
Under the Idaho Money Transmitters Act

Dear Mr. Burns:

On behalf of our client, \_\_\_\_\_, we request an opinion from the Department of Finance (the "Department") as to whether \_\_\_\_\_ is engaged in the state of Idaho in the business of money transmission as that term is defined pursuant to the Idaho Money Transmitters Act (the "Act"), and, as a result, whether \_\_\_\_\_ is subject to the licensing requirements of the Act.

As discussed further below, we have reviewed the Act governing money transmission. It appears, based on this review, that \_\_\_\_\_ should not be required to obtain a money transmitter license in order to engage in its current and proposed business activities in the state. Nevertheless, because \_\_\_\_\_ business model is one not expressly addressed by the Act, we request your confirmation of this conclusion.

**Description of**

\_\_\_\_\_ is incorporated in Delaware and is a wholly-owned subsidiary of \_\_\_\_\_, a publicly traded company.

\_\_\_\_\_ primary business is providing proprietary internet and telephone Interactive Voice Response ("IVR") systems to facilitate electronic payments to the United States Internal Revenue Service, 26 state governments, and over 2,000 municipalities and counties in all 50 states.

### **Description of Activities in Idaho**

Payment Processing. principal business is assisting states or other government units facilitate online and IVR payments from residents. Pursuant to contracts with the government entities, operates websites and IVR systems that permit individuals and companies to pay bills and obligations, including the following:

- Personal, real estate, personal property, and school district taxes;
- Sales and use taxes, withholding, disability insurance and corporate taxes;
- Fines for speeding and other traffic rule violations;
- Parking rule violations; and
- Tax auction.

processes payments for the IRS, 26 States and over 2,000 municipalities and counties in all 50 states. Payments are accepted via credit card and ACH transaction. Virtually all taxing authorities, including the IRS, consider payments made upon authorization of the transaction.

A convenience fee for this service is paid for by either the taxpayer or the government entity, depending on the arrangement agreed to by and the government entity. When payment is made via credit card, the funds for payment are credited by the card companies directly into accounts owned by the government entities. (funds to pay the convenience fee are credited directly into an account owned by ).

### **Description of Proposed Activities in Idaho**

Mealpay. In connection with partnership with , the Mealpay service allows parents of secondary school students to pre-fund their children's school meals using credit cards or ACH transfers. The service also allows parents to view the balance on such an account. Payments can be made via the internet or using IVR systems.

The Mealpay service is offered pursuant to contracts between and and between either or and the schools. Horizon is responsible for setting up the physical equipment at the schools. The convenience fee for this service is paid for by either the parent or the school, depending on the arrangement agreed to by the school and or Funds are placed initially into an account before being disbursed to the schools at intervals set out in the contract.

The participating schools are primarily public schools, although a few private schools offer the Mealpay service to their students as well. All of the students' funds are handled by the schools. Funds are available for students' use either immediately or the next business day, depending on the arrangement agreed to by the school and or

University Payments. Pursuant to contracts between and a number of colleges and universities nationwide, accepts payments on behalf of these colleges and universities by their students and

Mr. James Burns  
December 12, 2006  
Page 3

parents for various fees owed to the college or university. These fees include payments for tuition, books, and other miscellaneous fees. Payments are accepted via the internet or through IVR systems.

A convenience fee for this service is paid for by either the student or the university, depending on the terms of the contract between            and the college or university. When payment is made via credit card, the funds for payment are credited by the card companies directly into an account owned by the college or university (funds to pay the convenience fee may be credited directly into an account owned by            or remitted to            by the college or university).

### **The Idaho Money Transmitters Act**

The Act provides that “no person except a person exempt ... shall engage in the business of money transmission without a license as provided in accordance with the provisions of this chapter.” Idaho Code § 26-2903.

The Act defines money transmission as:

[T]he sale or issuance of payment instruments or engaging in the business of receiving money for transmission or the business of transmitting money within the United States or to locations outside the United States by any and all means including, but not limited to, payment instrument, wire, facsimile or electronic transfer. Idaho Code § 26-2902(11).

The Act defines payment instrument as:

[A]ny check, draft, money order, traveler's check or other instrument or written order for the transmission or payment of money, sold or issued to one (1) or more persons, whether or not such instrument is negotiable. The term "payment instrument" does not include any credit card voucher, any letter of credit or any instrument which is redeemable by the issuer in goods or services. Idaho Code § 26-2902(13).

The Act provides that it does not apply to:

- (a) The United States or any department, agency or instrumentality of the United States; [and] ...
- (c) The state or any political subdivision of the state. Idaho Code § 26-2904(1).

### **Applicability of the Act to            Activities**

As noted above,            Payment Processing service is provided pursuant to contracts with the IRS, state governments, counties and local municipalities and other governmental entities on whose behalf            processes payments. We also note that            Payment Processing service is performed on

Mr. James Burns  
December 12, 2006  
Page 4

behalf of entities exempt from application of the Act. Accordingly, as an agent of such entities, should likewise be exempt.

Mealpay service will be provided pursuant to contracts with schools on whose behalf processes payments. We also note that Mealpay service is performed primarily on behalf of public schools and school systems, which are entities that appear to be exempt from application of the Act. Accordingly, as an agent of such entities, should likewise be exempt.

University Payments service will be provided pursuant to contracts with colleges and universities on whose behalf processes payments. We also note that University Payments service is performed on behalf of some public colleges and universities, which are entities that appear to be exempt from application of the Act. Accordingly, as an agent of such entities, should likewise be exempt.

### **Conclusion**

Please provide us with the Department's written opinion as to whether activities require a money transmitter license.

We respectfully request confidential treatment of this request as required by Idaho Code § 26-2916, because of the non-public information it contains.

Please date stamp and return the extra copy of the letter to confirm your receipt of this submission. Thank you in advance for your assistance. Please do not hesitate to contact me if you have any questions or need anything further.

Best regards,

cc:





**IDAHO**  
DEPARTMENT OF FINANCE

C.L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

October 4, 2007

Re: Idaho Money Transmission Activities

Dear Sir or Madam:

The Idaho Department of Finance is charged with the administration and enforcement of the Idaho Money Transmitters Act, the Idaho Securities Act and Idaho banking statutes. In this regard we have regulatory oversight responsibilities for many financial services activities.

A recent review of the \_\_\_\_\_ website indicates that funds may be loaded to various stored value products at your store location in Nampa. We have communicated with \_\_\_\_\_ and they have claimed to have no liability for your card loading activities associated with their program.

For your information, the Department of Finance has established a policy that open-system stored value products are a form of payment instrument regulated under the Idaho Money Transmitter Act. More importantly, Idaho Code §26-2903(1) states that "no person...shall engage in the business of money transmission without a license..."

We hereby request that you respond to this inquiry in writing and provide the following.

1. Please provide a detailed description of all money services businesses conducted at your location. This should include any and all business conducted with Idaho residents, entities or others utilizing your location to execute a money services activity.
2. To the extent that you claim any exemption from the Idaho Money Transmitters Act, please provide any legal opinion or other legal basis relied upon in making such a determination.
3. Please provide copies of any contracts, agreements and communications between yourself and any stored value card issuing financial institution.
4. Please provide copies of any contracts, agreements and communications between yourself and \_\_\_\_\_ or any of its representatives. Please also describe how you came to be a \_\_\_\_\_ location and provide any marketing materials that may have been provided to you in advance of your acceptance of loads in any \_\_\_\_\_ program.

SECURITIES BUREAU

700 West State Street, 2nd Floor, Boise, ID 83702

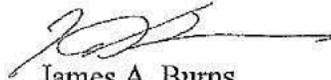
Mail To: P.O. Box 83720, Boise ID 83720-0031

Phone: (208) 332-8004 Fax: (208) 332-8099

<http://finance.idaho.gov>

This request for information is made pursuant to Idaho Code §26-2910 and §26-2914. Your prompt attention is appreciated and your written response is requested not later than October 19, 2007. If you have any questions or need to discuss this matter in advance of your written response, please contact the undersigned directly at (208) 332-8080.

Sincerely,

A handwritten signature in black ink, appearing to read 'James A. Burns', with a long horizontal flourish extending to the right.

James A. Burns  
Investigations Chief





**IDAHO**  
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

May 29, 2007

Re: Idaho Money Transmitter Licensing

Dear M

Your request for licensure information under the Idaho Money Transmitters Act has been received and reviewed. In connection with your letter we provide the following.

Your letter states that "I create businesses from scratch" and thereafter instruct the client regarding the opening of checking accounts and merchant accounts to accept credit cards. In this regard, it is unclear if you are seeking a license in order to transfer it to a client or if the client will be an agent of your business. Generally speaking, it is the Department's policy to only issue a license to the individual or entity that will ultimately be engaged in a money transmission business in Idaho.

It is uncertain whether the activities giving rise to your incarceration will impact your ability to obtain a money transmitters bond or if it will preclude you from engaging in a money transmission business on behalf of Idaho residents.

This Department does not currently regulate check cashing businesses. You may want to check with the county or city that you seek to locate in to verify if there are any local laws or regulations that may impact such a business.

Should you have any questions or need additional information, please feel free to contact the undersigned at (208) 332-8080.

Sincerely,



James A. Burns  
Investigations Chief

RITIES BUREAU

800 Park Blvd., Suite 200, Boise, ID 83712  
Mail To: P.O. Box 83720, Boise ID 83720-0031  
Phone: (208) 332-8004 Fax: (208) 332-8099  
<http://finance.idaho.gov>

RECEIVED April 27th, 2007  
2007 MAY -3 AM 9:37  
STATE OF IDAHO  
DEPT OF FINANCE

Idaho Department of Finance  
P.O. Box 83720  
Boise, Idaho 83720-0031

re:money transmitting business

Idaho Department of Finance, I am presently in the operation of forming a money transmitting business in the state of Idaho. I am required to register with your office for that service. But let me explain my business first. Aside from the usual, I create businesses from scratch. First I take the client to the state capitol for the license, then to a bank for the opening of the business checking account. From there I direct them to the merchant provider to obtain a merchant account to accept credit cards. I will get paid by the merchant account provider. I have received an assumed business name from the Secretary of State under the name of

filed in April 2007. I received the business name and noted that I will be conducting business in services and finance.

I will be opening as well a check cashing business and money transmitting business attached, if allowed. The business will also maintain a list of merchant providers for services to the community. I will not directly issue any merchant accounts. According to the US Code, Title 31 USC § 5330, I must register with the Treasury Department as well. They have told me to register with your department as well. So please send me the appropriate forms for check cashing, money transmitting, and any others that I may need.

Sincerely,



**Jim Burns**

---

**From:** Jim Burns  
**Sent:** Thursday, May 17, 2007 8:22 AM  
**To:**  
**Subject:** RE: Internet Remittances: Draft Language

Dear M

Thank you for your inquiry regarding the Idaho Money Transmitters Act.

As to your questions, we are of the view that internet-based fund transmittal platforms constitute a money transmission business and that such businesses may fall within the jurisdiction of the Idaho Money Transmitters Act (IMTA). More importantly, we are of the view that web-originated fund transmittals on behalf of Idaho residents or entities would invoke the licensing requirement of the IMTA. This licensing requirement would extend to both domestic or international firms that might conduct business on behalf of Idaho-based individuals or entities.

I trust that the above addresses the substance of your inquiry. Should you need additional clarification or have additional questions, please feel free to contact me directly at (208) 332-8080.

Regards,

Jim Burns  
Investigations Chief  
Idaho Dept. of Finance  
Boise, ID  
(208) 332-8080  
Idaho Toll Free 1-888-346-3378

---

**From:**  
**Sent:** Tuesday, May 15, 2007 12:10 PM  
**To:** Finance Internet Mail  
**Subject:** Internet Remittances

May 15, 2007

Idaho Department of Finance  
800 Park Blvd., Suite 200  
Boise, ID 83712

RE: INTERNET REMITTANCES

DEAR SIR/MADAM:

provides anti-money laundering and regulatory compliance services to money services businesses (MSBs) in the United States and other countries. The majority of our clients are licensed money transmitters.

Over the past year we have received an increased number of inquiries from our clients relating to providing remittance or money transfer services over the internet. Specifically, our clients have asked about the state requirements that need to be met in order

8/24/2007

to engage in such service.

In an effort to assist our clients and clarify the law in your state, we are asking that you provide us an answer to the following question and the follow-up:

DOES A MONEY TRANSMITTER, WHO DOES NOT HAVE A PHYSICAL LOCATION IN YOUR STATE, EITHER THROUGH BRANCHES OR AGENTS OR AUTHORIZED DELEGATES, REQUIRE A MONEY TRANSMITTER OR OTHER TYPE OF LICENSE IN YOUR STATE, IF IT PROVIDES REMITTANCE SERVICES SOLELY ON ITS WEBSITE THROUGH THE INTERNET?

DOES YOUR ANSWER TO THE ABOVE CHANGE IN ANY WAY IF THE MONEY TRANSMITTER IS A FOREIGN ENTITY OUTSIDE THE U.S.?

If you need additional information or clarification on our inquiry, please let us know.

We appreciate your assistance in this matter.

Cordially,

Compliance Consultant



**Jim Burns**

---

**From:** Jim Burns  
**Sent:** Thursday, February 22, 2007 1:03 PM  
**To:**  
**Subject:** RE: Check Cashing

Dear N

It is possible that some check cashiers in Idaho offer money orders or stored value cards in association with check cashing activities. However, the issuers and sellers of money orders and most stored value instruments would be required to be licensed under the Idaho Money Transmitters Act.

Should you have questions or need to discuss this matter directly, please feel free to contact me directly.

Regards,

Jim Burns  
Investigations Chief  
Idaho Dept. of Finance  
Boise, ID  
(208) 332-8080  
Idaho Toll Free 1-888-346-3378

-----Original Message-----

**From:**  
**Sent:** Thursday, February 22, 2007 12:07 PM  
**To:** Finance Internet Mail  
**Subject:** Check Cashing

To Whom It May Concern:

I am a paralegal with \_\_\_\_\_ in Chattanooga, TN. One of our clients intends to engage in Check Cashing in Idaho. Do Check Cashers in your state offer the proceeds from a cashed check in money orders? Do Check Cashers in your state offer the proceeds from a cashed check on a bank card?

Best Regards,