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DIRECTOR

STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P.O. BOX 83720
BOISE, IDAHO 83720-0031
Website: finance.state.id.us

October 1, 2002

Re: Money Service Licensing Requirements

Dear M

Your letter of September 20, 2002 seeks to confirm the need for a money transmission license where your client would be engaged in a consumer money transfer service. Further, you seek to confirm that a money transmission license would be the only license required in Idaho for a money services business.

Based on the information presented in your letter, it would appear appropriate that you client become licensed as a money transmitter in Idaho. However, based on the limited facts presented in your letter, we are unable to confirm that this would be the only license required (e.g., does the operator intend to engage in a payday lending business as a distribution mechanism?). Moreover, we are unable to comment on vendor or other operational permits that might be required at the local level.

Generally speaking, Idaho requires the licensure of payment instrument issuers and wire transmitters. We do not currently require the statewide licensure of check cashers unless they are engaged in consumer lending activities. Should you have any questions or need additional information, please feel free to contact the undersigned at (208) 332-8080.

Sincerely,

James A. Burns
Idaho Dept. of Finance

Banks & Savings Banks (208) 332-8005
Credit Unions (208) 332-8003
Securities (208) 332-8004
Money Transmitters (208) 332-8004

PHONE: (208) 332-8000
FAX: (208) 332-8098
Director's Fax: (208) 332-8097
Securities Fax: (208) 332-8099

Supporting Services (208) 332-8001
Mortgage Companies (208) 332-8002
Finance Companies (208) 332-8002
Collection Agencies (208) 332-8002

EQUAL OPPORTUNITY EMPLOYER

September 20, 2002

Via Facsimile 208-332-8099

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

Re: Money Service Licensing Requirements

Dear Mr. Burns:

Our firm represents businesses planning to become involved in the sale of card-based stored value products in your state to be issued through a financial institution. Our clients, however, are not financial institutions. The stored value products may be reloadable general purpose purchasing cards or they may be used as part of a consumer money transfer service.

Please confirm that the Money Transmitter License is the only licensing requirement in Idaho for money service businesses.

Please contact the undersigned or _____ if you have questions or require further information.

Very truly yours,

For the Firm