



Money Transmitter Regulators
ASSOCIATION



August 23, 2012

The Honorable Jim Renacci
130 Cannon House Office Building
Washington, D.C. 20515

The Honorable Ed Perlmutter
1221 Longworth House Office Building
Washington, D.C. 20515

Dear Representatives Renacci and Perlmutter:

On behalf of the American Association of Residential Mortgage Regulators (“AARMR”),¹ the Conference of State Bank Supervisors (“CSBS”),² the Money Transmitter Regulators Association,³ the North American Collection Agency Regulatory Association (“NACARA”),⁴ and the National Association of Consumer Credit Administrators (“NACCA”),⁵ we are writing to express our support of your bill, H.R. 6125, which ensures the protection of privileged and confidential information as it is shared with and among regulators. As state regulators responsible for overseeing a variety of depository and non-

¹ AARMR is the national organization representing state residential mortgage regulators. AARMR's mission is to promote the exchange of information between and among the executives and employees of the various states who are charged with responsibility for the administration and regulation of residential mortgage lending, servicing and brokering.

² CSBS is the professional membership organization for state banking regulators from all fifty states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. Our members supervise over 5,400 banks of all sizes, including most of the small community banks in the United States. Additionally, most state banking commissioners are responsible for regulating a variety of non-bank financial services providers operating in their states.

³ MTRA is a national non-profit organization dedicated to the efficient and effective regulation of money transmission industry in the United States of America. The MTRA membership consists of state regulatory authorities in charge of regulating money transmitters and sellers of traveler's checks, money orders, drafts and other money instruments.

⁴ NACARA is comprised of the various regulatory agencies in the United States and its territories and Canada that oversee the activities of third party debt collectors.

⁵ NACCA was formed in 1935 to improve the supervision of consumer financial companies and to facilitate the administration of laws governing these companies. This includes providing a forum for the exchange of information among its members and educating the public through its Consumer Education Committee. NACCA presently has members from 49 states, the District of Columbia, Puerto Rico, and Alberta, Canada. Its members primarily license and regulate non-depository institutions such as finance companies, mortgage companies, small loan companies, pay day lenders, pawnbrokers, and other similar types of industries.

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depository financial services providers, our members strongly support your bill's effort to ensure consistent treatment across regulated entities and regulatory agencies.

Financial regulation in this country involves collaboration between state and federal regulators. Information sharing is the lynchpin of this partnership. The creation of the Consumer Financial Protection Bureau ("CFPB") with jurisdiction over an array of entities regulated at both the federal and state level makes this coordination and uniform treatment of information even more critical to effective and efficient supervision. By correcting current gaps in the law, this bill improves regulators' ability to collaborate and coordinate efficiently and provides regulated entities with greater confidence that confidential or privileged information provided to regulators retains protections afforded in state and federal law.

Ensuring a consistent approach to privilege and confidentiality will also support regulators' use of the Nationwide Mortgage Licensing System and Registry ("NMLS" or the "System"). The NMLS, launched by the CSBS and AARMR in 2006, and recognized by Congress in the 2008 SAFE Act, is a nationwide system that serves as a licensing and registration system and database for mortgage loan originators.

Recognizing the benefits of increased uniformity, reduced regulatory burden, and enhanced consumer protection that the NMLS provides, in April of 2012 some state agencies began expanding the use of the System to other financial services entities regulated and licensed at the state level. Your bill would ensure that as states continue to expand their use of the NMLS as a licensing system, regulators can use the System to share information with the certainty that privilege and confidentiality protections are maintained.

While we support H.R. 4014 and S. 2099, which would add the CFPB to the list of covered agencies that are allowed to receive and share information without waiving privilege, these bills do not include the full range of regulators and regulated entities affected by the creation of the CFPB. H.R. 6125 completes the work these earlier bills began.

We are committed to working with you to ensure that H.R. 6125 becomes law. Thank you for your attention.

Sincerely,

A handwritten signature in black ink that reads "Darin Domingue". The signature is written in a cursive, flowing style.

Darin Domingue

President

American Association of Residential Mortgage Regulators

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John W. Ryan
President and CEO
Conference of State Bank Supervisors



John Bishop
President and Director
Money Transmitter Regulators Association



Tiffany J. Fowlie
President
North American Collection Agency Regulatory Association



Steven O'Shields
President
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