

**Government of the District of Columbia**  
**Department of Insurance Securities and Banking**



**William P. White**  
**Commissioner**

**BULLETIN**  
**11-BB-01-06/09**

**TO: ALL LICENSED AND PROSPECTIVE MONEY TRANSMITTER LICENSEES**

**FROM: WILLIAM P. WHITE, COMMISSIONER** 

**RE: LOCATION REQUIREMENT FOR A MONEY TRANSMITTER LICENSE IN THE DISTRICT OF COLUMBIA**

**DATE: JUNE 9, 2011**

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This Bulletin applies to all licensed and prospective money transmitter licensees in the District of Columbia. The purpose of this Bulletin is to clarify the “location” requirement for money transmission activities in the District of Columbia.

The District of Columbia (“District”) money transmitter law requires licensees to conduct the business at a location in the District either through the establishment of branch locations or through authorized delegates. See D.C. Law 13-140, D.C. Official Code §§ 26-1001, *et seq.* (2001), (“the Act”). Specifically, Title 26C, Section 2201.1 of the D.C. Municipal Regulations (“DCMR”) provides:

No licensee shall engage in the transmission of money unless the licensee conducts such business at a location within the District of Columbia approved by the Department or through an authorized delegate approved by the Department and operating at a location within the District of Columbia approved by the Department.

The Department of Insurance, Securities and Banking (“Department”) has over the years, required a licensee to conduct the business of money transmission at a location in the District or through authorized delegate(s) in the District.

The Department has now determined that the earlier interpretation of the licensing requirements of the Act as they pertain to the maintenance of a “physical” location should be reevaluated. Upon further review, the Department has concluded that while the DCMR mentions a “location”

in the District, it does not indicate that said location be “physical” or “brick and mortar” and is therefore adopting a broader construction of the word consistent with today’s financial business reality. This determination is supported by recent legislation by the Council of the District of Columbia that used a broader, more inclusive language in defining consumer credit transactions to include transactions over the Internet.<sup>1</sup>

Based on its reevaluation, the Department will no longer follow historical staff interpretations requiring money transmitters to be physically located in the District as a condition of licensing. Rather, it will require that (except as provided in Section 4 of the Act) any person (as defined in Section 2 of the Act) that engages in the business of selling or issuing checks or receiving money for transmission from persons residing or located in the District or transmitting money on behalf of persons residing or located in the District, be licensed by the Commissioner. The Department believes this interpretation is consistent with the statutory language and intent to protect District consumers of money transmission services regardless of where they occur and to ensure that persons that conduct financial business in the District do so fairly and honestly.

Questions with respect to this Bulletin may be directed to the Interim Associate Commissioner for Banking at 202.442.7845.

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<sup>1</sup> D.C. Official Code § 28-3301(h) states:

For the purposes of this chapter, a consumer credit transaction occurs in the District of Columbia if:

- (1) A written agreement evidencing the obligation or offer of the consumer is received by the creditor in the District of Columbia; or
- (2) A consumer who is a resident of the District of Columbia enters into the transaction with a creditor who has solicited or advertised in the District of Columbia by any means, including mail, brochure, telephone, print, radio, television, internet, or any other electronic means.