

Building a Multistate MSB Business in 2025

Money Services Businesses (MSBs) have long been a critical component of the U.S. financial infrastructure. Historically, these licenses were used by companies offering money transmission, currency exchange, check cashing, and more recently, digital asset services. Over the past two decades, the use of MSB licenses has expanded to include fintech firms, credit card issuers, international remittance platforms, and digital wallets. In 2025, despite the high cost of obtaining and maintaining licenses in individual states, the environment for launching a multistate MSB has become increasingly efficient, thanks in large part to the adoption of the Money Transmission Modernization Act (MTMA) in over 30 states.

The Role and Use Cases of MSB Licenses

MSB licenses are necessary for any business engaging in the transmission of money or monetary value, including fiat, stored value, or cryptocurrency. They are foundational for offering services like international money transfers, digital wallets, payment processors, and credit card issuance. While the cost to obtain a single state MSB license can be steep due to bonding, net worth requirements, legal fees, and compliance infrastructure, operating in multiple states creates economies of scale—especially when aligned with MTMA standards.

Why a Multistate MSB Model Works in 2025

With 31 states having adopted or partially adopted the MTMA, there is now a harmonized approach to licensing, capital requirements, and ongoing compliance. This means businesses can scale faster, using a unified compliance framework, shared examinations, and reduced regulatory friction. We generally do not take engagements for licensing in only one state, as a multistate approach is far more efficient and scalable under the 2025 regulatory environment.

MTMA-Adopting States as of 2025

Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, North Dakota, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia

Comparative Chart of State MSB Requirements

State	Net Worth Requirement	Surety Bond Range
California	> \$100k or sliding scale	\$250k–\$7M
New York	> \$100k or 3% of assets	\$500k+
Florida	>\$100k + \$10k per location (max \$2M)	\$50k–\$2M

MSBs in Credit Card Issuing and Payments

MSBs are commonly used to power the back-end of credit card issuing programs. Through MSB licenses, businesses can process customer payments, hold balances, and issue or manage prepaid cards and credit products. They can also connect to ACH, wires, and other domestic payment rails. These capabilities are essential for embedded finance, mobile banking apps, and fintech-as-a-service platforms.

Strategic Use of MSBs for Puerto Rico International Banks

An MSB in the U.S. can provide significant advantages to an international bank licensed in Puerto Rico. Through a domestic MSB, the IFE can:

- Establish access to U.S.-based payment networks (ACH, Fedwire, SWIFT)
- Offer USD credit card issuing programs with licensed BIN sponsors
- Facilitate certain types of lending such as merchant cash advances, receivables financing, or secured digital credit lines
- Open and maintain correspondent accounts in U.S. banks

This MSB-IFE dual structure offers operational flexibility while maintaining regulatory compliance across jurisdictions.

Further Reading and Resources

For additional context, see the following articles (originally published in 2023, but still relevant):

- Building a Compliance Program for a Fintech, Crypto or Credit Card Issuing Business:
<https://premieroffshore.com/building-a-compliance-program-for-a-fintech-crypto-or-credit-card-issuing-business/>
- Structuring a Fintech or Card Issuer Without an MSB License:
<https://premieroffshore.com/structuring-a-fintech-or-card-issuer-without-an-msb-license/>

Conclusion

Launching a multistate MSB business in 2025 is more accessible and efficient than ever before, thanks to the widespread adoption of the MTMA and standardized compliance expectations. We are available to assist you in building a robust, scalable, and compliant MSB structure that integrates seamlessly with your broader financial strategy. Whether you are a fintech, international bank, or card issuer, a multistate MSB can offer the regulatory foundation you need to grow.