



June 17, 2024

RE: Updates to Nebraska Consumer Financial Services Laws

All Delayed Deposit Services, Installment Loan, Installment Sales, Money Transmitter, and Mortgage Banker Licensees and Applicants:

As the Nebraska Department of Banking and Finance (“Department”) is the state agency responsible for the regulation and supervision of the Nebraska Delayed Deposit Services License, the Nebraska Installment Loan License, the Nebraska Installment Sales License, the Nebraska Money Transmitter License, and the Nebraska Mortgage Banker License (collectively, the “Consumer Financial Services” or “CFS Licenses”), the Department is issuing this update to provide notice of upcoming changes to the statutes governing the CFS Licenses.

Effective July 19, 2024, the CFS Licenses will be subject to two key changes: an update to background check procedures and a notification requirement for data breaches.

The first of these updates, the change in background check procedures, provides that the Department will solely utilize NMLS-based background checks for all CFS Licenses. Prior to this update, only the Nebraska Mortgage Banker License and Nebraska Delayed Deposit Services License utilized the NMLS-based background check procedures. This update will provide uniformity of the process throughout all of the CFS Licenses. For control persons for Money Transmitter licensees or applicants who have lived or worked outside of the United States in the last three years, the Department will still require an independent background check.

The second of these updates implements a requirement that all companies with a CFS License must notify the Department within three business days from the date that they become aware that they have suffered a data breach involving the personal information of a Nebraska resident. Such notice is required to be made to the Department in writing, or through the NMLS. There is an exception to the three-day notice requirement, where a law enforcement agency determines that such notice could impede a criminal investigation.

These changes were contained within LB 1074 (2024). The text of LB 1074 is available on the Nebraska Legislature’s website at: <https://nebraskalegislature.gov/FloorDocs/108/PDF/Slip/LB1074.pdf>. If you have any questions, please contact the Department by phone at 402-471-2171 or by email to: William.Lawrence@nebraska.gov.