



Third Party Payment Processors Association
Advocacy | Leadership | Support

May 3, 2021

Commissioner of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA. 95834
Attn: Sandra Sandoval, Regulations Coordinator

Dear Ms. Sandoval:


The Third-Party Payment Processing Association (TPPPA) appreciates the opportunity provided by the Department of Financial Protection and Innovation to provide comments related to the second modification to proposed regulations under the Money Transmission Act. The TPPPA is an industry association formed in 2013 whose members include payment processors and financial institutions that sponsor payments into the various payment systems. The TPPPA has created industry best practices for payment processors and financial institutions through the TPPPA Compliance Management System (CMS). The CMS consists of a control framework that supports both member classifications in creating risk-based, documented compliance management programs for payment processing that are tailored to the unique requirements and responsibilities of the members' distinct payment processing programs. The TPPPA CMS is designed to support all forms of payment processing (e.g., ACH, Card, Check) and was created to address the oversight of state and federal regulatory agencies, including the FDIC, OCC, FRB, CFPB, FTC, the CSBS and FinCEN.

The TPPPA provided comment related to the first proposed modifications related to the agent-of-payee and were gratified to see that our concerns were addressed in the statement of reasons for the proposed action in the rulemaking file. The only comment that we have related to this second modification is that the plain language of the rule does not readily reflect the interpretations of the rule that are clearly articulated in the statement of reasons and would request that this document be made readily available, and easily identified as a companion document for the rule. We believe that this action will help to limit confusion and misinterpretation of the plain language of the rule.

The TPPPA would welcome a meeting with the DFPI to share our work and to discuss concerns of the DFPI related to third-party payment processing. We believe that good relations with regulatory bodies are critical to our mission.

Thank you again for the opportunity to participate in this important rule making.

Sincerely,


Marsha Jones, AAP, APRP, CAMS
President
Third Party Payment Processors Association