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Navigating New Compliance Challenges: The Impact of the Money Transmitter Modernization Act on Payroll Processing

Payments Pros – The Payments Law Podcast

SPEAKERS

[Keith J. Barnett](#)

In this episode of *Payments Pros*, Keith Barnett is joined by Eli Polanco, founder and CEO of Nivelo, to discuss critical issues in payroll processing. They highlight the significant impact that the Money Transmitter Modernization Act (MTMA) will have on payroll processors in the states that have adopted the portion of the MTMA requiring payroll processors to obtain money transmitter licenses.

Eli explains the complexities introduced by the MTMA, including the need for payroll providers to navigate through state regulations. This has led to increased operational costs and uncertainty within the industry.

The discussion also covers the critical role of payroll providers and their bank partners in managing the movement of employee payroll across the country, which includes tax payments and garnishments. Eli emphasizes the importance of robust risk management practices and compliance with Nacha rules. Looking ahead, Eli predicts increased consolidation in the payroll industry and higher costs for payroll services due to regulatory pressures, which potentially stifles competition and innovation.

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