



Department of Business Regulation

Banking Division

1511 Pontiac Avenue, Bldg. 68-1
Cranston, Rhode Island 02920

Banking Bulletin 2021-1

REGULATORY GUIDANCE

DATE: December 8, 2021

TO: Rhode Island Licensed Entities and Registrants

FROM: Elizabeth Kelleher Dwyer, Superintendent of Banking

RE: Guidance to Licensees and Registrants Regarding Employee Remote Work

As a result of the COVID-19 pandemic, licensees and registrants were forced to quickly adapt by implementing remote work for their personnel. The Rhode Island Department of Business Regulation (the “Department”) recognizes that for many companies, the remote work model has been highly successful, and offers many benefits to companies, staff members and customers.

To that end, and consistent with the Department’s August 2, 2021 [Banking Bulletin 2020-1 Amended Regulatory Guidance](#), which specifically permits remote work by employees of licensed Lenders, Loan Brokers, Exempt Entities and registrants during the COVID-19 pandemic, the Department is providing this guidance to formally authorize the continued option for employees of all entities licensed or registered under *R.I. Gen. Laws § 19-14 et seq.*, entitled *Licensed Activities*, to operate remotely from non-licensed locations, subject to the following conditions and restrictions:

- (1) The employee is subject to the supervision of the licensee;
- (2) The remote location is the employee’s residence or other location identified in the records of the licensee and is within a reasonable distance of a place of business named in the licensee’s license or branch certificate, as established by regulations adopted by the director or the director’s designee;
- (3) The licensee has written policies and procedures for supervision of, and employs appropriate risk-based monitoring and oversight process of work performed by employees working from remote locations;
- (4) Access to the licensee’s computer platforms and to customer information is in accordance with the licensee’s comprehensive written information security plan. The licensee must maintain appropriate safeguards for licensee and consumer data, information, and records, including the use of secure virtual private networks (“VPNs”) where appropriate;

- (5) No in-person customer interaction occurs at a remote location, and the licensee will not designate the remote location to consumers or customers as a business location unless the remote location is properly licensed as a branch;
- (6) Physical records related to the licensee's business, including consumer information, are not maintained at the remote location;
- (7) The licensee must ensure consumer and licensee information and records remain accessible and available for regulatory oversight and exams; and
- (8) The licensee must provide training to keep all conversations about, and with, consumers conducted from a remote location confidential, as if conducted from a licensed commercial location, and to ensure remote employees work in an environment conducive and appropriate to that privacy.

Please also note that where the above criteria are satisfied, the remote work locations would not be deemed to be business locations for the purposes of the relevant statutory branch licensing and office location notification requirements. Finally, please note that in the situation where the licensed/registered activity is conducted entirely by personnel operating remotely, the main business address of the entity would be the only location associated with the entity's Rhode Island license or registration in the Nationwide Multi-State Licensing System and Registry (NMLS).

Special Considerations for Mortgage Lenders/Brokers and Mortgage Loan Originators

The Division notes that the work location for mortgage loan originators (MLOs) has been the subject of various inquiries over the years. Through this guidance, in addition to the above, the Division is clarifying the following:

1. MLOs are not required to live within a certain distance of a branch office, however, the Division will require that the licensed entity provide proof of effective supervision over all sponsored mortgage loan originators;
2. Branch Managers are not necessarily restricted in the number of branches that they may supervise; rather, the Division will look to determine that the manager is able to provide adequate supervision for the given number and location of MLOs under his/her supervision.

This guidance replaces any previous guidance previously issued by the Division with regard to telework or permissibility for remote work by employees of licensees or registrants. This guidance will continue permanently, unless otherwise modified or withdrawn.

If you have any questions regarding this guidance, please contact Sara Paterson Cabral, State Chief Bank Examiner, at sara.cabral@dbr.ri.gov.

Prepared by: Sara Cabral, State Chief Bank Examiner, Division of Banking. Contact Sara at sara.cabral@dbr.ri.gov if you have questions.

Statutes and rules relied upon: R. I. Gen. Laws Chapters 19-14, 14.1, 14.2, 14.3, 14.4, 14.6, 14.8, 14.10, and 14.11