



Department of Business Regulation
Banking Division
1511 Pontiac Avenue, Bldg. 68-1
Cranston, Rhode Island 02920

Banking Bulletin 2020-1

AMENDED REGULATORY GUIDANCE

DATE: March 13, 2020, Revised March 29, 2021, AMENDED August 2, 2021

TO: Rhode Island Licensed Mortgage Loan Originators, Lenders, Loan Brokers and Exempt Company Registrants

FROM: Elizabeth Kelleher Dwyer, Superintendent of Banking

RE: Interim Regulatory Guidance – Temporarily Working from Home

Purpose

On March 9, 2020, Governor Gina Raimondo signed a declaration creating a State of Emergency in Rhode Island, allowing the State to access additional resources to supplement its response to COVID-19. Because the Rhode Island Department of Health has confirmed positive test results of cases in Rhode Island, licensed mortgage origination companies may wish to take precautions to further avoid the risk of exposure by having employees work at home. This includes mortgage loan originators, who are otherwise required to only work from licensed locations.

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. Consistent with previous guidance, the Department amends the previous guidance to authorize mortgage origination companies the continued option to allow employees to work remotely, whether located in the State of Rhode Island or another state, even if the remote location is not a licensed branch. The remote work locations would not be deemed to be business locations for purposes of the relevant statutory requirements. When the licensed activity is conducted entirely by employees operating remotely, the main business address of the company would be the only location associated with the Rhode Island license or registration in the Nationwide Multi-State Licensing System and Registry (the “NMLS”).

This Amended Guidance does not amend the provisions of R.I. Gen. Laws §19-14 *et seq.* This specifically includes all state and federal data security requirements as set forth in Rhode Island General Laws. All other provisions of Rhode Island General Laws remain in place. Following the Declaration of a State of Emergency, this Guidance, originally issued on March 13, 2020 and effective through April 30, 2020, and with extensions through June 23, 2020, September 30, 2020, December 31, 2020, March 31, 2021 and July 31, 2021. The Department is hereby further extending this guidance through 30 days after the Rhode Island State of Emergency is terminated. This guidance is subject to change or withdrawal.

The Department's Guidance – Effective August 2, 2021

If the data security provisions set forth below are met, the Department will not take administrative or other punitive action against a licensed mortgage loan originator or the sponsoring licensed company if the mortgage loan originator conducts activities requiring licensure from home.

Data security provisions:

- 1) The licensed mortgage loan originator must be able to access the company's secure origination system (including a cloud-based system) directly from any out of-office device the mortgage loan originator uses (laptop, phone, desktop computer, tablet, etc.) using a virtual private network (VPN) or similar system that requires passwords or other forms of authentication to access.
- 2) All security updates, patches, or other alterations to the device's security must be maintained.
- 3) The licensed mortgage loan originator must not keep any physical business records at any location other than the licensed main office.

While it is up to the company and the MLO to decide whether consumers go to MLO **licensed** branch homes, if MLOs work from an **unlicensed** branch home, they must **not** have consumers come to the home.

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, and 14.2

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