
DIVISION OF BANKING

1601 N. Harrison Avenue, Suite 1, Pierre, SD 57501
605-773-3421

MEMORANDUM

NUMBER: 11-003

DATE: September 1, 2020

TO: SOUTH DAKOTA LICENSED MORTGAGE LOAN ORIGINATORS AND THE COMPANIES THAT SPONSOR THEM

FROM: BRET AFDAHL, Director

RE: INTERIM REGULATORY GUIDANCE – TEMPORARILY WORKING FROM HOME (UPDATED)

Given recent events, it is important for you and your companies to be prepared for continued disruptions in operations due to pandemic events. Accordingly, South Dakota licensed mortgage origination companies may wish to maintain or take additional precautions to avoid the risk of exposure by having employees work at home. This includes mortgage loan originators, who are otherwise required to only work from authorized locations.

This Interim Guidance expresses the South Dakota Division of Banking's (SDDOB) intent to temporarily allow licensed mortgage loan originators (MLO) to work from home, whether located in South Dakota or another state, even if the home is not a previously authorized location.

This Interim Guidance does not amend SDCL Chapter 54-14. This specifically includes all state and federal data security requirements as set forth in SDCL Chapter 54-14. All other provisions of SDCL 54-14 remain in place. This Interim Guidance is effective through December 31, 2021, but is also subject to change or withdrawal.

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

- The MLO must be able to access the company's secure platforms (including a cloud-based system) directly from any out-of-office device (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.
- All security updates, patches, or other secure alterations to the devices security must be maintained.
- The MLO must not keep any physical business records at any location other than a licensed office.

- The MLO working from home must not have consumers come to their home location.

If you would like additional information, or if you have any questions, please do not hesitate to contact the SDDOB at 605-773-3421.