
DIVISION OF BANKING

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

MEMORANDUM

NUMBER: 20-030

DATE: May 25, 2022

TO: SOUTH DAKOTA MONEY LENDERS AND MORTGAGE LENDERS

FROM: BRET AFDAHL, Director

RE: NEW REMOTE WORK LEGISLATION

The following is a summary of House Bill 1271 (HB 1271). HB 1271 was signed into law by Governor Kristi Noem and will become effective on July 1, 2022. I would encourage you to review HB 1271 in detail at your convenience at the following link: [2022 House Bill 1271 - SD Legislature provide for remote work for employees of money lending licensees and mortgage lender businesses.](#)

If you would like additional information regarding HB 1271, or if you have any questions, please do not hesitate to contact the South Dakota Division of Banking at 605-773-3421.

House Bill 1271

HB 1271 allows South Dakota money lenders and South Dakota mortgage lenders to modernize their business practices in a manner that allows their employees to work from home provided certain key data and privacy safeguards are observed. These safeguards are meant to ensure the following:

- Any in-person interactions with the consumers are not conducted at the remote location and the remote location is not represented to consumers as a business location
- The licensee maintains secure VPN's and other appropriate safeguards for licensee and consumer data, information, and records.
- The licensee employs appropriate risk-based monitoring and oversight processes of work performed from a remote location and maintains records of the processes.
- The licensee ensures consumer information and records are not maintained at the remote location
- The licensee ensures consumer and licensee information and records remain accessible and available for regulatory oversight and examination; and
- The licensee provides appropriate employee training to keep all conversations about and with consumers conducted from the remote location confidential, as if conducted from the business location, and to ensure remote employees work in an environment that maintains confidentiality.