



**MARYLAND
MORTGAGE**
BANKERS AND BROKERS
ASSOCIATION

MBA[®]

MORTGAGE BANKERS ASSOCIATION

Mr. Joseph Cunningham
Director of Legislative Response and Special Projects
Maryland Department of Labor
500 N. Calvert Street
Baltimore, MD 21202
Josephd.cunningham@maryland.gov

Re: Proposed Adoption of New Regulation .08 Under COMAR 09.03.02 General Regulations

Dear Director Cunningham,

The Maryland Mortgage Bankers and Brokers Association (MMBBA)¹ and the national Mortgage Bankers Association (MBA)² would like to thank Commissioner Salazar and the Maryland Department of Labor (DLLR) for their leadership and for the opportunity to comment on DLLR's [proposed](#) rules, which would provide Maryland licensed mortgage companies and their staff with much needed flexibility to work from a remote location. Our associations support DLLR's proposed regulations, because they will prudently modernize Maryland's licensing rules without compromising important consumer safeguards and data protection standards. The rules will result in supervision that reflects the paradigm shift that has transformed the economy since the onset of the pandemic and will also better prepare industry and DLLR for future national emergencies and natural disasters. Lastly, DLLR's proposal will also enable the mortgage industry to better meet evolving customer service needs outside the traditional weekday office hours.

While the proposed rule covers multiple license types beyond mortgage lenders, our groups are satisfied that the DLLR's recommendations adequately meet the needs of our member companies. In particular, it is important to highlight the inclusion of language in Paragraph E "Security Standards," which discusses the current and future revisions to the standards issued

¹ The mission of The Maryland Mortgage Bankers and Brokers Association is to promote and provide educational opportunities for our members; To influence the legislative process by educating lawmakers on matters affecting real estate ownership; To encourage the practice of professionalism, honesty and integrity in the mortgage banking industry as guided by our Canon of Ethics.

² The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 1,700 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

by the National Institute of Standards and Technology (NIST). Referencing NIST standards will promote compliance with federal rules for cybersecurity and permit Maryland regulations to evolve as new data protection software and best practices become available.

By way of background, mandatory shelter-in-place requirements, which required all Americans except those deemed “essential” to work from home, presented a challenge to state licensed companies in states with requirements for licensed staff to work from a licensed location, such as a branch office. This was critical in some states where licensed staff needed to assist consumers with urgent pandemic-related forbearance needs. Our organizations appreciate state mortgage banking regulators moving quickly to issue remote work guidance to address this unintended rigidity in state licensing requirements. However, given the uncertainty about the virus and the long-term effectiveness of the vaccines, additional flexibility and legal certainty is necessary in order to operate and serve consumers.

An important development stemming from industry-regulator discussions has been the September 29, 2020 memorandum issued to all mortgage regulators by the Conference of State Bank Supervisors Non-Depository Supervisory Committee (NDSC). This advisory urged any regulators who had not already done so to issue remote work flexibility guidance to regulated entities. It also urged those states that had issued remote work permissions to keep them current. The NDSC also provided suggested standards for state policy makers to adopt to keep consumer information and technology systems secure, and to prohibit licensed staff from storing documents or meeting with consumers at unlicensed locations.

The proposed rules put forth by the DLLR are consistent with NDSC’s guidance and will allow MLOs to work from a remote location while protecting consumer information and promoting cybersecurity. Moreover, the DLLR’s thoughtful and detailed leadership among state regulators should help to drive consistent remote work flexibility standards among others in the state regulator community.

Once again, thank you for providing us with the opportunity to comment on DLLR’s proposed rules. Our associations welcome the opportunity to engage with you further to develop Maryland’s regulations on remote work. If you have any questions, please contact Kobie Pruitt (kpruitt@mba.org or 202-557-2870) at the MBA and Rich Green (Richard.Green@Presidential.com or 410-456-9345) at the MMBBA with any questions you may have.

Sincerely,

Maryland Mortgage Bankers and Brokers Association
Mortgage Bankers Association