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**DIVISION OF BANKING**

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

**MEMORANDUM**

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NUMBER: 11-003

DATE: March 12, 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

Given recent events, it is important for you and your companies to be prepared for disruptions in operations due to pandemic events. Accordingly, South Dakota 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 authorized locations.

This Interim Guidance expresses the South Dakota Division of Banking's intent to temporarily allow licensed mortgage loan originators 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 June 5, 2020, but is also subject to change or withdrawal.

If the data security provisions set forth below are met, the South Dakota Division of Banking 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: 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.
- All security updates, patches, or other alterations to the device's security must be maintained.

- The licensed mortgage loan originator must not keep any physical business records at any location other than the licensed main office or other previously authorized location.

While it is up to the company and the MLO to decide whether consumers may go to previously authorized locations, if MLOs work from a home location, they must not have consumers come to the home location.

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