



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

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CONSUMER LOAN AND MORTGAGE BROKER PRACTICES ACTS

INTERIM REGULATORY GUIDANCE

DATE: March 5, 2020

TO: Licensed Mortgage Loan Originators and the Companies that Sponsor Them

FROM: Lucinda Fazio, Director, Division of Consumer Services (Department)

RE: Interim Regulatory Guidance – Temporarily Working from Home

Purpose

On February 29, 2020, Governor Jay Inslee issued an emergency proclamation regarding the COVID-19 outbreak. The proclamation declared a state of emergency and directed state agencies to use all resources necessary to prepare for and respond to the outbreak. Because the Washington State Department of Health has confirmed the localized person-to-person spread of the virus, 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.

This Interim Guidance expresses the Department's intent to temporarily allow licensed mortgage loan originators to work from home, whether located in Washington State or another state, even if the home is not a licensed branch.

This Interim Guidance does not amend chapters 19.146 RCW, 31.04 RCW, 208-660 WAC, or 208-620 WAC. This specifically includes all state and federal data security requirements as set forth in the acts. All other provisions of the acts remain in place. This Interim Guidance is effective through June 5, 2020, but is also subject to change or withdrawal.

The Department's Guidance – Effective through June 5, 2020

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 devices 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: Cindy Fazio, Director, Division of Consumer Services. Contact Cindy at 360-902-8800 or cfazio@dfi.wa.gov if you have questions.

Statutes and rules relied upon: Chapters 19.146 RCW, 31.04 RCW, 208-660 WAC, and 208-620 WAC.