



**The South Carolina
State Board of Financial Institutions
Consumer Finance Division**

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**Ronald R Bodvake
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INTERIM REGULATORY GUIDANCE
Updated April 28, 2020

On March 13, 2020, Governor Henry McMaster declared a state of emergency for the State of South Carolina due to the Novel Coronavirus (COVID-19). Mortgage origination and servicing companies have sought guidance from the Consumer Finance Division (Division) regarding working remotely from unlicensed locations and the deadline for submission of the 2019 Mortgage Log. Below is the Division's guidance on these two issues.

Working Remotely from Unlicensed Locations

Because of the transmission of COVID-19, licensed mortgage origination and servicing companies may wish to take precautions to further avoid the risk of exposure by having employees work from home. This includes mortgage loan originators, who are otherwise required to work from licensed locations.

The interim guidance expresses the Division's intent to temporarily allow licensed mortgage loan originators to work from home, whether located in the state of South Carolina or another state, even if the home is not a licensed branch.

This Interim Guidance does not amend Title 37 of the South Carolina Consumer Protection Code. This specifically includes all state and federal data security requirements as set forth. All other provisions remain in place. This Interim Guidance is effective through May 31, 2020 but is also subject to change or withdrawal.

Interim Guidance on Working Remotely – Effective through May 31, 2020

If the provisions set forth below are met, the Division 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.

Provisions:

- The licensed sponsoring company must have temporary policies, procedures, and a plan for supervision in place while under the state of emergency.
- 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.

While it is up to the company and the MLO to decide whether consumers may go to licensed branch homes of MLOs, if MLOs are working from an unlicensed branch home, they must not have consumers come to the home.

2019 Mortgage Log Submissions

As a result of precautions taken to avoid further transmission of COVID-19, mortgage origination and servicing companies likely will be delayed in preparing their 2019 mortgage logs. The Division recognizes the disruption and in coordination with the South Carolina Department of Consumer Affairs (Department) has deferred the filing deadline until June 1, 2020. If a mortgage origination and servicing company submits a completed 2019 mortgage log by June 1, 2020, the Division and the Department will not take punitive action against the licensee and will not assess the statutory late fee of \$100 per day.

View the Division's website, www.consumerfinance.sc.gov, for updates and information. You may contact the Division at 803-734-2020.