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To: Kansas Licensed Mortgage Companies, Mortgage Loan Originators, Supervised Loan Licensees, Credit Services Organizations, Money Transmitters, and Credit Notification Registrants

From: David L. Herndon, Bank Commissioner, Kansas Office of the State Bank Commissioner

Date: August 27, 2020

Re: **UPDATED: Remotely Working from Residence or Other Company Designated Location Temporarily During the Novel Coronavirus COVID-19 Pandemic**

This guidance has been extended through December 31, 2020.

Due to heightened public health threats posed by the novel coronavirus (COVID-19) pandemic, on March 12, 2020, Kansas Governor Laura Kelly issued a state of disaster emergency proclamation for the state of Kansas.

The Kansas Office of the State Bank Commissioner (OSBC) is offering the following guidance for licensees, registrants, and their employees and to allow the flexibility to work remotely from their residence or a company designated location during the COVID-19 pandemic, even if the residence or location is not a licensed or registered branch location, as applicable.

This temporary guidance is issued with the intent to offer licensees and registrants the ability to take precautions deemed necessary to avoid the risk of exposure or transmission of COVID-19. It remains the responsibility of the company to oversee the activity of its employees and to conduct business in a compliant manner during this time. All companies must have temporary policies, procedures, and a plan for supervision in place.

K.S.A. 9-2203(a) requires that mortgage business in the state of Kansas shall only be conducted from a licensed main office or branch office. However, the OSBC recognizes that mortgage loan originators (MLO) may be asked to work remotely from their residence or another company designated location to help prevent the spread of COVID-19, even though such location is not currently licensed as a branch office. For compliance purposes, the OSBC will respect the decision made by the company to temporarily modify work assignments, including Kansas licensed MLOs working remotely, to reduce the risk of exposure or transmission of COVID-19 during this state of emergency. Prospective or existing consumer borrowers should not travel to an MLO's residence to conduct business.

The OSBC offers the following best practices for remote workers to ensure security of information is maintained:

- Computers and devices that leave the office should include at-rest encryption.
- Paper records should not be taken off-site if they contain confidential information.

- Connectivity to the main office or sensitive systems should be encrypted in transit by use of a virtual private network (VPN) or similar technology.
- Activity should be conducted in a private home environment, avoiding public areas such as coffee shops or libraries.

This guidance may be rescinded, amended, revised, or extended at any time and does not constitute a statutory or regulatory exemption from licensure.