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INTERIM GUIDANCE FOR MORTGAGE BROKERS

Updated July 30, 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 brokers have sought guidance from the Department of Consumer Affairs (Department) regarding working remotely from unlicensed locations and the deadline for submission of the 2019 mortgage log. Below is the Department’s guidance on these two issues.

Working Remotely from Unlicensed Locations

Because of the transmission of COVID-19, licensed mortgage broker 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 Department’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 40, Chapter 58 of the South Carolina Code of Laws. This specifically includes all state and federal data security requirements as set forth. All other provisions remain in place.

Interim Guidance on Working Remotely – Effective until rescinded

The Department will provide fifteen (15) days’ notice to the affected business before rescission.

If the 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.

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 broker companies likely will be delayed in preparing their 2019 mortgage logs. The Department recognizes the disruption and in coordination with the State Board of Financial Institutions Consumer Finance Division (Division) has deferred the filing deadline until June 1, 2020. If a mortgage broker company submits a completed 2019 mortgage log by June 1, 2020, the Department and the Division will not take punitive action against the licensee and will not assess the statutory late fee of \$100 per day.

View the Department's website, www.consumer.sc.gov, for updates and information. You may contact the Department at 803-734-4200.