ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
COMMISSIONER

1 COMMERCE WAY, SUITE 402
LITTLE ROCK, ARKANSAS 72202
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

Mortgage Loan Officer and Mortgage Company Practices Interim Regulatory Guidance

DATE: **March 13, 2020**

TO: **Licensed Mortgage Companies, Mortgage Loan Officers, and Branch Managers**

FROM: **B. Edmond Waters, Arkansas Securities Commissioner**

RE: **Interim Regulatory Guidance**

Purpose:

On March 11, 2020, Governor Asa Hutchinson issued an emergency order 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. The Arkansas Department of Health has confirmed that COVID-19 is spread by localized person-to-person contact. Licensed Mortgage Companies may wish to take precautions to further avoid the risk of exposure by having employees work at home. This includes Mortgage Loan Officers who are required to work from licensed locations.

This Interim Regulatory Guidance expresses the Arkansas Securities Department's intent to temporarily allowed licensed Mortgage Loan Officers to work from home, even if the home is not a licensed branch.

Mortgage Companies shall ensure that any Mortgage Loan Officer working from home is in compliance with all state and federal data security requirements, including but not limited to Ark. Code Ann. §§ 4-110-101 through 108. This Interim Guidance is in effect from March 13, 2020 through June 1, 2020 but is subject to change or withdrawal.

Arkansas Securities Department Guidance – Effective from March 13, 2020 through June 1, 2020

If the data security provisions of state and federal law are met, the Arkansas Securities Department will not take administrative or other punitive action against a licensed Mortgage Loan Officer or the sponsoring Mortgage Company if the Mortgage Loan Officer conducts activities requiring a license from home.

Data Security Provisions:

1. The licensed Mortgage Loan Officer must be able to access the licensed mortgage company's secure origination system (including a cloud-based system) directly from any out-of-office device the mortgage loan officer uses, using a virtual private network (VPN) or other similar system that requires passwords or other forms of authentication to access.
2. All security updates, patches, or other alterations to the device's security must be maintained.
3. Physical business records are maintained at the books and records location that is on file with the Arkansas Securities Department.