



COMMISSIONER OF FINANCIAL REGULATION

BULLETIN



March 13, 2020

CORONAVIRUS: COVID-19

Emergency and Disaster Preparation Information for Maryland Licensed Mortgage Brokers, Lenders and Servicers

All Maryland Licensed Mortgage Brokers, Lenders and Servicers should have a comprehensive disaster recovery plan in place that documents how they will respond to various disasters or emergencies such as major storms, widespread infectious disease outbreaks, regional communication disruptions, terrorist attacks, etc. The purpose of the plan is to minimize, as much as possible, disruptions to business operations. The plan should be written and employees should know their responsibilities under it. Based on the rising concerns over the potential impact of the Coronavirus, if your institution does not yet have a written disaster recovery plan or it has not recently reviewed that plan, it should be reviewing the plan and making contingency plans for potential business disruptions now.

As part of your emergency preparation program, it may be beneficial to encourage those customers who do not already utilize any electronic services you may offer to do so. Remind customers that these services are not disrupted when a branch or office is closed due to emergency conditions. Customers who already have these automatic services in place experience much less difficulty in accessing loan information during disruptions caused by major storms or other disasters.

Below are some questions the Office of the Commissioner of Financial Regulation (OCFR) has received from mortgage lender licensees in connection with the Coronavirus.

1. What is the preferred method of communication with the OCFR?

The preferred method of communication is by emailing Christine Brooks, Director of Mortgage Supervision, at christine.brooks@maryland.gov, for examination concerns and Arlene Williams, Director of Licensing, at arlenef.williams@maryland.gov, for licensing concerns. Please be sure to include your Company name and NMLS # on all emails sent to the OCFR.

2. If we must close our office due to the Coronavirus, can MLO's work from home?

If it is necessary to close your office due to an emergency, the Code of Maryland Regulations (COMAR) allow MLO's to work from home, or any other location, pending that location does not meet the standards set for a branch location (unless that location is licensed). COMAR 09.03.09.07 provides the following:

09.03.09.07 Locations.

A. A mortgage loan originator may not conduct mortgage lending business at any location different from the address that appears on the license or licenses of the mortgage loan originator's employer.

B. Notwithstanding §A of this regulation, a mortgage loan originator may take a loan application or offer or negotiate terms of a mortgage loan at a location other than the address that appears on the license or licenses of the mortgage loan originator's employer if neither the mortgage loan originator nor the mortgage loan originator's employer:

- (1) Owns or leases the location for the purpose of conducting mortgage lending business;
- (2) Indicates or suggests by use of signage that the mortgage loan originator or the mortgage loan originator's employer utilizes the location for taking mortgage loan applications or offering or negotiating terms of mortgage loans;
- (3) Advertises that the mortgage loan originator or the mortgage loan originator's employer takes mortgage loan applications or offers or negotiates terms of mortgage loans at the location;
- (4) Maintains work space, telephone service, or internet service at the location in the name of the mortgage loan originator or the mortgage loan originator's employer for the purpose of conducting mortgage lending business;
- (5) Receives mail relating to the mortgage lending business at the location; or
- (6) Stores books or records relating to the mortgage lending business at the location.

3. If we are forced to close due to quarantine, are we still required to complete our Manager's Questionnaire and/or examination?

The OCFR is required by law to conduct periodic examination of all mortgage lender licensees, but is also committed to working with all licensees to minimize the impact of COVID-19; this includes flexibility on timelines involving examinations or any other licensing or supervisory activity required under Maryland law. If any licensed business location is closed because of mass quarantines during any part of your examination, it is your responsibility to contact the OCFR immediately upon your state, city or county being placed in a quarantine area. Please notify the OCFR by emailing Christine Brooks, Director of Mortgage Supervision, at christine.brooks@maryland.gov. The following information should be provided in your email:

- Location of the office(s) affected by the quarantine order.
- Whether you have branches that will continue to operate in non-quarantine areas.
- Copy of local/state directive to close due to quarantine or link to information. (Links to prominent local news sources are acceptable.)
- Copy of information/script you will be placing on your webpage or offices to inform borrowers of closure.
- Direct contact information for at least two control persons of your company.

RESOURCES AND INFORMATION -- COVID-19:

- MEMA - Maryland Emergency Management Agency
www.mema.maryland.gov
- Maryland Department of Health
<https://phpa.health.maryland.gov/Pages/Novel-coronavirus.aspx>
- CDC – Center for Disease Control
www.cdc.gov



Office of the Commissioner of Financial Regulation

Maryland Department of Labor