

March 16, 2020

To: Minnesota Regulated Loan Companies

Re: COVID-19

The purpose of this letter is to issue guidance to Minnesota licensed Regulated Lenders related to issues and questions resulting from the COVID-19 virus outbreak. This guidance does not amend any of the statutes or regulations in place, including Minnesota Statutes Chapters 47 or 56, or any federal requirements. This letter also contains information on examinations and how to contact the Financial Institutions' team during the crisis.

Guidance: Changes in branch locations or employees working from home

Statutory Authority

Minnesota Statutes Section 56.07, subdivision 1 governs place of business for regulated loan companies. In general, not more than one place of business can be maintained under the same license, but the Department may issue more than one license to the same licensee. To the extent that previously filed information is substantially unchanged, an applicant need not refile this information. Additionally, if a licensee wants to change a place of business, they have to give a 30 day notice. A change that moves its place to a location outside of its current trade area or more than 25 miles away (whichever is greater), has to meet the requirements of Minnesota Statutes Section 56.04.

Minnesota Statutes Section 56.07 also states: "A licensed location must be open for business and examination purposes on a schedule provided to and approved by the commissioner. This schedule of regular business must be conspicuously posted at the licensed location."

Scenarios

- (1) **What if the company decides to close a branch?** You must inform the Department if you decide to close a branch. If the closure is temporary, you may notify us either via email or mail to the addresses below. The notice should include a schedule for when you expect to reopen the branch. You must also post this schedule conspicuously at the branch location, i.e. on the front door. You must also notify us if there are any changes to when you will reopen. If you decide to permanently close a branch, then you need to file a surrender request through the Nationwide Multistate Licensing System (NMLS). There is no fee to surrender.

- (2) **Can an employee from a branch work from home?** If the branch is still offering and closing loans, some employees can work from home to perform tasks as long as the loans are still closed under the address of the licensed branch location, and consumers are not physically going to any unlicensed location for any part of

the loan process. No physical records can be kept at an unlicensed location, and the employee must be able to maintain the company's data security policies and standards.

- (3) **Can loans be closed from unlicensed branches outside of Minnesota?** No. We would require branches outside of the state to be licensed using the Minnesota Regulated Loan Company Branch Application through the NMLS. Loans can only be closed by licensed locations that are open for business.

General Information

The Financial Institutions Division is implementing a temporary telework policy as part of the agency's efforts to combat the spread of the COVID-19 virus. This telework policy will last at until at least April 1, 2020. During this time for the most expedient response, we recommend you contact us using the email addresses below.

General questions – NonDepositoryInstitutions.Commerce@state.mn.us

Notification of temporary branch closure – NonDepositoryInstitutions.Commerce@state.mn.us

Consumer credit licensing questions – Angela Schmall at angela.schmall@state.mn.us

Non-Depository Financial Institutions Leadership Team:

Name	Email Address
Mark Hastie, Director of Non-Depository Financial Institutions	mark.hastie@state.mn.us
Robin Brown, Licensing Director	robin.brown@state.mn.us
Will Thompson, Examination Program Director	william.thompson@state.mn.us

Thank you in advance for your cooperation.

Sincerely,



Maxwell Zappia
Deputy Commissioner