

March 17, 2020

To Minnesota Industrial Loan & Thrift Companies:

Re: COVID-19

The purpose of this letter is to issue guidance to Minnesota Industrial Loan & Thrift Companies 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 53, 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 53.03, subdivision 5 governs place of business for industrial loan and thrift 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 53.03.

Minnesota Statutes Section 53.09 also states: "For the purpose of discovering violations of this chapter or securing information lawfully required by the commissioner under this chapter, the commissioner may, at any time, either personally or by a person or persons duly designated, investigate the loans and business, and examine the books, accounts, records, and files used in the business, of every licensee and of every person engaged in the business whether or not the person acts or claims to act as principal or agent, or under the authority of this chapter. For the purposes of this subdivision, the commissioner and duly designated representatives have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons."

**Scenarios**

- (1) What if the company decides to close a branch?** You must inform the Department if you decide to close a branch such that it is not open for business or examination purposes. If the closure is temporary, you may notify us either via email or mail to any of 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. 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 through the NMLS. Loans can only be closed by licensed locations that are open for business.

### General Information

The Financial Institutions Division will be 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](mailto:NonDepositoryInstitutions.Commerce@state.mn.us)

Notification of temporary branch closure – [NonDepositoryInstitutions.Commerce@state.mn.us](mailto:NonDepositoryInstitutions.Commerce@state.mn.us)

Consumer credit licensing questions – Angela Schmall at [angela.schmall@state.mn.us](mailto:angela.schmall@state.mn.us)

### Non-Depository Financial Institutions Leadership Team:

<u>Name</u>	<u>Email Address</u>
Mark Hastie, Director of Non-Depository Financial Institutions	<a href="mailto:mark.hastie@state.mn.us">mark.hastie@state.mn.us</a>
Robin Brown, Licensing Director	<a href="mailto:robin.brown@state.mn.us">robin.brown@state.mn.us</a>
Will Thompson, Examination Program Director	<a href="mailto:william.thompson@state.mn.us">william.thompson@state.mn.us</a>

Thank you in advance for your cooperation.

Sincerely,



Maxwell Zappia  
Deputy Commissioner