

As Passed by the House

134th General Assembly

Regular Session

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Am. S. B. No. 264

Senator Brenner

Cosponsors: Senators Maharath, Hackett, Blessing, Cirino, Craig, Johnson, Reineke, Thomas, Williams, Yuko Representatives Hillyer, Carruthers, Galonski, Grendell, Humphrey, Miller, A., Patton, Pavliga, Roemer, Smith, K., Stevens

A BILL

To amend section 1322.43 and to enact section 1
1321.691 of the Revised Code to regulate remote 2
work under the Residential Mortgage Lending Act 3
and the Consumer Installment Loan Act. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 1322.43 be amended and section 5
1321.691 of the Revised Code be enacted to read as follows: 6

Sec. 1321.691. (A) As used in this section, "remote 7
location" means the home of an employee or other location 8
selected by the employee that is not a licensed place of 9
business. 10

(B) Notwithstanding any provision of the Revised Code to 11
the contrary, nothing in sections 1321.62 to 1321.702 of the 12
Revised Code shall be construed to interfere with the ability of 13
a licensee's employee to work from a remote location, provided 14
the licensee does all of the following: 15

(1) Ensures that in-person customer interactions are 16
conducted only at a licensed place of business; 17

(2) Maintains appropriate safeguards for licensee and consumer data, information, and records, including the use of secure virtual private networks where appropriate; 18
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(3) Employs appropriate risk-based monitoring and oversight processes of work performed from a remote location and maintains records of such work; 21
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(4) Ensures consumer information and records are not maintained at a remote location; 24
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(5) Ensures consumer and licensee information and records remain accessible and available for regulatory oversight and exams; 26
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(6) Provides appropriate employee training to keep all conversations about, and with, consumers conducted from a remote location confidential, as if conducted from a commercial location, and to ensure remote employees work in an environment conducive and appropriate to that confidentiality; 29
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(7) Keeps a record of all remote locations that are being used, in the form of city, state, and type of location, and makes a list of those locations available to the superintendent upon request. 34
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Sec. 1322.43. (A) No registrant and entity holding a valid letter of exemption under this chapter, through its operations manager or otherwise, shall fail to do either of the following: 38
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(1) Reasonably supervise a mortgage loan originator or any other person associated with the registrant or entity; 41
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(2) Establish reasonable procedures designed to avoid violations of any provision of this chapter or the rules adopted under this chapter, or violations of applicable state and 43
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federal consumer and lending laws or rules, by mortgage loan 46
originators or any other person associated with the registrant 47
or entity. 48

(B) No registrant or entity holding a letter of exemption 49
issued under this chapter shall: 50

(1) Receive, directly or indirectly, a premium on the fees 51
charged for services performed by a bona fide third party; 52

(2) Pay or receive, directly or indirectly, a referral fee 53
or kickback of any kind to or from a bona fide third party or 54
other party with a related interest in the transaction, 55
including a home improvement builder, real estate developer, or 56
real estate broker or agent, for the referral of business. 57

(C) (1) Notwithstanding any provision of this chapter to 58
the contrary, a registrant or entity holding a letter of 59
exemption under this chapter may allow a mortgage loan 60
originator or any other person associated with the registrant or 61
entity to transact business on behalf of the registrant or 62
entity from a location other than the registrant's or entity's 63
principal office or a branch office if all of the following 64
apply: 65

(a) The registrant or entity has a written policy 66
governing the supervision of the mortgage loan originator or 67
other person associated with the registrant or entity while the 68
originator or person transacts business on behalf of the 69
registrant or entity from such a location. 70

(b) Access to the registrant's or entity's platform and 71
customer information is in accordance with the registrant's or 72
entity's written information security plan. 73

(c) The mortgage loan originator or other person 74

associated with the registrant or entity does not interact with 75
a customer at the originator's or person's residence, unless the 76
residence is the registrant's or entity's principal office or a 77
branch office. 78

(d) Physical records are not maintained at such a 79
location. 80

(2) The superintendent of financial institutions may 81
charge a registrant or entity an annual fee to cover the costs 82
associated with administering division (C)(1) of this section. 83
The fee shall not exceed twenty-five dollars for each location 84
at which a mortgage loan originator or any other person 85
associated with the registrant or entity transacts business on 86
behalf of the registrant or entity other than the registrant's 87
or entity's principal office or a branch office. 88

Section 2. That existing section 1322.43 of the Revised 89
Code is hereby repealed. 90