STATE OF NEW YORK

10587

IN SENATE

May 27, 2026

Introduced by Sen. ZELLNER -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to providing remote work flexibilities for licensed mortgage loan originators and staff and employees of licensed mortgage bankers, registered mortgage brokers and mortgage loan servicers under certain circumstances

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 1 of section 590 of the banking law is amended by adding a new paragraph (j) to read as follows:

(j) "Remote location" shall mean a location at which an employee of a licensee, registrant, mortgage loan servicer or person exempt from licensing or registration that employs a mortgage loan originator licensed pursuant to article twelve-E of this chapter, may conduct business other than the principal location or branch office of a licensee, registrant, servicer or exempt person.

§ 2. Paragraph (c) of subdivision 2 of section 590 of the banking law, as amended by chapter 472 of the laws of 2008, is amended to read as follows:

(c) A licensee registrant or mortgage loan servicer may apply for authority to open and maintain one or more branch offices. **Provided, however, no licensee, registrant or mortgage loan servicer shall be required to apply for authority to open and maintain a branch office with respect to any location that is a remote location.**

§ 3. Paragraph (f) of subdivision 5 of section 590 of the banking law, as relettered by chapter 540 of the laws of 2023, is relettered paragraph (g) and a new paragraph (f) is added to read as follows:

(f)(i) Notwithstanding any provision of this chapter or any other law, rule or regulation to the contrary, a licensee, registrant, mortgage loan servicer, or person exempt from licensing or registration that employs a licensed mortgage loan originator, may allow an employee, including a mortgage loan originator licensed pursuant to article twelve-E of this chapter and sponsored by the licensee, registrant,

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD16009-01-6

servicer or exempt person, to engage in licensable activities from a remote location provided:

(A) the remote location may not:

(1) be owned or leased by the employer or an affiliate of the employer, or for the benefit of the employer or an affiliate of the employer;

(2) be a location that offers temporary office space unless the employee is using the location on a temporary basis due to the unavailability of the employee's regular work location;

(3) be held out to the public by use of signage, advertisement, or other means, as a location at which the employer conducts business for which a license or registration is required;

(4) be used for the receipt of mail relating to business for which a license or registration is required; or

(5) be used to conduct a specific act that applicable law, rule or regulation requires be conducted only at specified locations;

(B) the remote location shall be authorized by the licensee, registrant, servicer or exempt person as a location from which the specific employee may work remotely;

(C) the licensee, registrant, servicer or exempt person has written policies and procedures for supervision of employees working at their residence or another remote location;

(D) the licensee, registrant, servicer or exempt person shall maintain and update, as appropriate, written records with respect to an employee working from remote locations, including the initial authorization to work from any such remote location, any updated authorization, and information regarding the location and any due diligence undertaken to ensure compliance with applicable policies and procedures and this paragraph. Such records shall be maintained for the greater of two years from the date the employee ceases using such remote location in connection with the business for which a license or registration is required or any retention period required by applicable law, rule or regulation;

(E) access to company platforms and customer information is in accordance with the licensee's, registrant's, servicer's or exempt person's written information security plan and cybersecurity program and policies;

(F) no in-person interaction occurs at the employee's residence unless the residence is an authorized branch location;

(G) physical records are not maintained at and cannot be produced at a remote location;

(H) the location provides a workspace that is secure and designed to protect personal information as required by law, including ensuring that customer interactions and conversations about consumers will be in compliance with federal and state information security requirements, including applicable provisions under the federal Gramm-Leach-Bliley Act and the Safeguards Rule established by the Federal Trade Commission and set forth in 16 CFR Part 314, as such requirements may be amended from time to time;

(I) employees working at a remote location shall access the company's secure systems, including a cloud-based system, directly from any out-of-office device the employee uses, including, but not limited to, a laptop, phone, desktop computer, or tablet, via a virtual private network or comparable system that ensures secure connectivity and requires multi-factor authentication or reasonably equivalent or more secure compensating controls in accordance with 23 NYCRR 500.12;

(J) the licensee, registrant, servicer or exempt person ensures that appropriate security updates, patches, or other alterations to the security of all devices used at remote locations are installed and maintained;

(K) the licensee, registrant, servicer or exempt person shall have the ability to remotely lock or erase company-related contents of any device or otherwise remotely limit all access to the company's secure systems;

(L) the licensee, registrant, servicer or exempt person shall employ appropriate risk-based monitoring and oversight processes and any employee that will work from a remote location must agree to comply with such established processes;

(M) a licensee, registrant or servicer shall, at least annually, certify to the superintendent that all employees engaged in remote activity from a remote location meet the appropriate standards and safeguards to continue such activity; and

(N) the Nationwide Mortgage Licensing System/Nationwide Mortgage Licensing System and Registry record of a mortgage loan originator that works from a remote location shall designate the principal location of the licensee, registrant, servicer or exempt person as the mortgage loan originator's registered location, unless the mortgage loan originator elects another authorized branch office maintained by the licensee, registrant, servicer or exempt person as a registered location.

(ii) If the superintendent determines that the licensee, registrant, servicer or exempt person, or the employee working from a remote location, fails to satisfy the requirements of this paragraph or the licensee, registrant or servicer fails to have adequate policies and procedures to satisfy the requirements of this paragraph, the superintendent may, in addition to any penalties authorized by this article and applicable law:

(A) after notice and a hearing, limit, restrict or condition the authority for the licensee, registrant, servicer or exempt person to allow employees to engage in a business activity that requires a license or registration from a remote location; or

(B) terminate, restrict or condition the eligibility of an employee to engage in business activities that require a license or registration from a remote location.

(iii) The provisions of this paragraph shall apply to a person exempt from licensing or registration under this article only to the extent such person employs and sponsors a natural person licensed as a mortgage loan originator pursuant to article twelve-E of this chapter. Provided the requirements of this paragraph are satisfied, an individual shall be permitted to work from a remote location regardless of the distance the individual's residence is from a branch office or other location of a licensee, registrant, mortgage loan servicer, or person exempt from licensing or registration. Notwithstanding any provision of this chapter or any other law, rule or regulation to the contrary, provided the provisions of this paragraph are satisfied, the distance an individual resides from a location of a licensee, registrant, mortgage loan servicer, or person exempt from licensing or registration, shall not be a factor in licensing an individual pursuant to article twelve-E when the individual will work from a remote location.

§ 4. Subdivision 3 of section 591 of the banking law, as amended by section 52 of part O of chapter 59 of the laws of 2006, is amended to read as follows:

3. A licensee may apply for authority to open and maintain a branch office by giving the superintendent prior notice of its intention in

such form as shall be prescribed by the superintendent. Unless the superintendent denies the application within thirty days of publication of notice of receipt of a completed application, the licensee shall be permitted to open and maintain such branch office. An application to open and maintain a branch office shall be accompanied by an investigation fee as prescribed pursuant to section eighteen-a of this chapter. **A licensee shall not be required to apply for authority to open and maintain a branch office for a location that is a remote location.**

§ 5. Subdivision 2 of section 591-a of the banking law, as amended by section 53 of part O of chapter 59 of the laws of 2006, is amended to read as follows:

2. A registrant may apply for authority to open and maintain a branch office by giving the superintendent prior notice of its intention in such form as shall be prescribed by the superintendent. Unless the superintendent denies the application within thirty days of publication of notice of receipt of a completed application, the registrant shall be permitted to open and maintain such branch office. An application to open and maintain a branch office shall be accompanied by an investigation fee as prescribed pursuant to section eighteen-a of this chapter. **A registrant shall not be required to apply for authority to open and maintain a branch office for a location that is a remote location.**

§ 6. This act shall take effect on the thirtieth day after it shall have become a law.