

WORK FROM HOME

- **Advancement driven by necessity:** The COVID-19 pandemic has necessitated technology-enabled remote working. Though many companies invested in VPNs and other advanced technology before 2020, the pandemic pushed a cultural shift forward years or arguably even decades. AFSA members have demonstrated—out of necessity—that nearly all critical operational functions for many financial service business models can take place through remote working.
- **Paradigm shift is twofold:** The investment in technology and procedures have rapidly evolved on what CAN be done from home and simultaneously the professions—which office workers and what jobs—have also evolved. Where working from home was previously embraced by some professions, all manner of workers have now had to learn new ways for them to do their jobs from locations other than the commercial workplace.
- **Identical customer experience:** COVID-19 has shown us that working from home works. For business models that support it, and with the right technology and training in place, consumers have the exact same experience with the financial institution employee working from home as in a commercial office. Authorizing remote working merely allows licensed financial services providers to be more flexible in employment practices, while still providing the same secure services to the public.
- **How it works:** In consumer credit, a work from home approach involves employees being permitted to conduct licensable activities from home—including loan servicing, credit decisioning, funding and collections.
 - Employees are not meeting customers in their homes
 - Employees are not keeping records in their homes.
 - Employees are performing the same telephone / internet-based functions they would have performed if they were sitting in the licensed location.
 - Regulatory supervision, oversight, and licensing fees do not change. All records are available to the regulator as mandated by state law.

- **Supervision:** Employees are supervised as they would be at the licensed location, and the licensee's records are stored at the licensee's premises without compromising the need for strong data protections.
- **Revenue shortfalls:** The industry is receptive to modifying branch licensing fee structures to mitigate the risk of a negative financial effects on states.
- **COVID and the foreseeable future:** Nobody knows how long the pandemic will last, but it's here for the foreseeable future. Employees cannot tell from looking at someone if they are in a high-risk category. Remote work allows businesses to make critical safety accommodations for employees who may be higher risk or who care for higher risk individuals. Permitting licensees to choose remote work is also the best way to ensure the safety of employees and customers alike while maintaining continuity of operations and critical access to credit.
- **Competition:** National companies and other companies with offices in multiple states have a difficult time justifying the health and safety of workers in one state versus another merely on grounds of state decisions. Particularly when (so far, at least) some states with significantly higher transmission rates have significantly lower safety requirements.
- **Benefits:** The benefits of letting financial institutions choose whether to permit remote work are numerous.
 - **Reducing existing commercial real estate costs,** particularly at a time when so much consumer relief is being voluntarily granted. When less money is coming in, costs have to be reduced one way or another.
 - **Not increasing existing commercial real estate costs.** Another side of the commercial real estate coin is the need in some cases to significantly increase spacing or otherwise costly reconfigure commercial real estate to create more space for existing employees. Remote work helps offset potential increased commercial real estate costs.
 - **Safety for employees.** Remote work allows companies to addressing health concerns for all employees, especially those in high-risk health categories and employees with household members in higher risk categories.

- **Diversity.** While workplace accommodations can and have always been made for differently-abled employees, remote work creates opportunities for individuals who have trouble commuting and geographically diverse employees who can't reasonably travel to a central commercial office on a daily basis. Working from home also enhances existing inclusivity and allows us to create new avenues to attract and retain diverse talent.
 - **Employee satisfaction.** Many of our members report increased employee satisfaction with remote work. And happy employees = happy customers.
- **Urgent:** The industry needs flexibility and consistency now as it has a direct impact on who must leave their home work sites and return to commercial facilities, when that will occur, and what site infrastructure changes must be made to safely accommodate personnel.
 - **Not appropriate for all business models:** To be clear, AFSA does not advocate working from home unless it's appropriate for the business model. For employees of companies with the right business model, it should be an option without regulatory interference—as long as all state oversight and consumer protection standards are addressed.
 - **Mortgage crisis:** There is now advanced, comprehensive oversight technology that did not exist during the mortgage crisis. Consumer complaint tracking by institutions is now robust, and institutions have the ability to track calls and transactions to the individual employee level. Compensation structures have also been overhauled since the mortgage crisis to mitigate the risk of non-compliant behavior.
 - **Best practices.** Financial services providers should be able to identify and implement their own home-working protocols and procedures to protect their businesses and employees and keep the wheels of commerce moving. Some standards of remote work are common across our member companies.
 - ✓ In-person customer interactions will not be conducted at the remote location;
 - ✓ Sensitive customer information will be protected consistent with the licensee's existing cybersecurity protocols for on-site operations;
 - ✓ Employees will utilize virtual workspaces and VPNs, where appropriate;
 - ✓ Risk-based monitoring and oversight processes will be followed;
 - ✓ Physical records will not be maintained at the remote location;

- ✓ information regarding the specific activities conducted via telework will be maintained and available upon request;
- ✓ Conversations about consumers will be kept private, and remote employees will work in an environment conducive and appropriate to that privacy;
- ✓ Regulatory oversight exams will be unhindered by remote work;
- ✓ Quality monitoring will take place just like in the commercial business center;

Ask: It is critical that government embraces widespread remote working as a way to mitigate the economic impact of the pandemic on workers, businesses, and the economy.

- 1) Regulators should extend Covid work from home waivers for as long as possible, for as many roles as possible, for as many licensees as possible.
- 2) Regulators should interpret existing statutes to permit permanent work from home for as many licensees as possible.
- 3) Regulators should support legislative changes where necessary to accommodate remote work.