

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the adoption of) NOTICE OF ADOPTION OF
Temporary Emergency Rule I) TEMPORARY EMERGENCY RULE
pertaining to extension of time periods)
for annual reporting for escrow)
businesses, quarterly reporting for)
mortgage servicers, and abandonment)
of initial mortgage license applications)
related to the COVID-19 pandemic)

TO: All Concerned Persons

1. The Department of Administration is adopting Temporary Emergency Rule I for the following reasons:

A. On March 12, 2020, Governor Steve Bullock declared an emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 2-2020.

B. On March 13, 2020, President Donald J. Trump declared a national emergency due to the COVID-19 pandemic.

C. On March 14, 2020, Governor Steve Bullock extended the emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 3-2020.

D. The director of the Department of Administration finds that under the emergency circumstances of the COVID-19 pandemic, there is an immediate peril to the public health, safety, and welfare requiring adoption of a rule upon fewer than 30 days' notice. Licensees and applicants showing symptoms consistent with COVID-19 may be directed to avoid the workplace and follow recommendations of medical professionals and public health authorities to self-quarantine for specified periods. All Americans are being advised to practice social distancing. Effective March 18, 2020, Prometric Test Centers in the United States and Canada are closed for the next 30 days. State and local governments and private vendors offering fingerprinting services are being temporarily suspended in numerous locations across the country to prevent the spread of COVID-19. These facilities and services are necessary for mortgage license applicants to access records and complete their applications.

E. There is a reasonable necessity to immediately adopt a temporary emergency rule pursuant to 2-4-303, MCA, for escrow businesses, mortgage servicers, and mortgage license applicants to protect the public health, safety, and welfare because of the emergency conditions of the COVID-19 pandemic to avoid contributing to a shortage of available personnel, allow licensees to delay reporting and focus on addressing customers' COVID-19 concerns, and ensure the public has sufficient access to financial services.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration to advise us of the nature of the accommodation that you need. Please contact Heather Hardman, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2922; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to banking@mt.gov.

3. The temporary emergency rule is effective March 24, 2020, when this rule notice is filed with the Secretary of State.

4. The text of the temporary emergency rule provides:

NEW RULE I EXTENSION OF TIME PERIODS DURING DECLARED EMERGENCY OR DISASTER RELATED TO COVID-19 PANDEMIC (1) This rule is only effective when there has been a declaration by the governor of an emergency or disaster related to the COVID-19 pandemic.

(2) The time period provided in ARM 2.59.713(2) within which persons licensed under the Montana Regulation of Escrow Businesses Act shall file the Montana Escrow Business Annual Financial Statement and Escrow Activities Report is temporarily extended by 30 days to May 30, 2020.

(3) The time period provided in ARM 2.59.1743(1) within which mortgage servicers shall submit the quarterly report for the quarter ending March 31, 2020, is temporarily extended to June 14, 2020.

(4) The time period provided in ARM 2.59.1753(3) is temporarily extended by 60 days to allow applicants for an initial license a total of 120 days following the department's notice of deficiency to provide the documents or information requested before the application will be deemed abandoned.

AUTH: 32-7-108, 32-9-120, 32-9-130, MCA

IMP: 32-7-115, 32-9-120, 32-9-170, MCA

REASON: In addition to the rationale stated in paragraph 1, the department has received reports from applicants, licensees, and other regulators of difficulty in completing applications and making reports due to COVID-19 restrictions.

The department is adopting New Rule I(2) to give escrow businesses additional time to file the financial statement and activity report to allow them to address potential issues with gathering the data and filing the report. A thirty-day extension was chosen to balance the department's need to receive this information in a timely manner with the need to allow escrow businesses more time to provide information due to COVID-19 related closures. To date, office closures due to official orders have been limited in duration, and it is anticipated that a thirty-day extension is sufficient to allow licensees to obtain information when routine or limited operations resume.

The department is adopting New Rule I(3) to give mortgage servicers additional time to file the mortgage servicer first quarter report to allow them to

address potential issues with gathering the data and filing the report. A thirty-day extension, for a total of 75 days following the end of the first quarter, was chosen to balance the department's need to receive this information in a timely manner with the need to allow mortgage servicers more time to provide information due to COVID-19 related closures. To date, office closures due to official orders have been limited in duration, and it is anticipated that a thirty-day extension is sufficient to allow licensees to obtain information when routine or limited operations resume.

The department is adopting New Rule I(4) because the department understands applicants may not be able to respond to department requests for information as quickly as before given the upheaval in the working lives of applicants due to COVID-19. The temporary emergency rule will allow applicants two additional months before their licenses are abandoned, which would require them to reapply and pay another fee. A sixty-day extension was chosen to balance the department's need to receive this information in a timely manner with the need to allow applicants more time to provide information due to COVID-19 related closures. To date, office closures due to official orders have been limited in duration, and it is anticipated that a sixty-day extension is sufficient to allow licensees to obtain information when routine or limited operations resume. The department determined a thirty-day extension would not be sufficient for license applicants because the initial application process may require access to information from a greater variety of sources than obtaining information necessary to provide reports about licensees' ongoing business activities.

5. The rationale for the temporary emergency rule is set forth in paragraph 1 and in the statement of reasonable necessity following the rule.

6. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Heather Hardman, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to banking@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

7. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

By: /s/ John Lewis
John Lewis, Director
Department of Administration

By: /s/ Don Harris
Don Harris, Rule Reviewer
Department of Administration

Certified to the Secretary of State March 24, 2020.