
DIVISION OF BANKING

1601 N. Harrison Avenue, Suite 1, Pierre, SD 57501
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MEMORANDUM

NUMBER: 07-017

DATE: May 27, 2022

TO: SOUTH DAKOTA BANKS

FROM: BRET AFDAHL, Director

RE: REMOTE WORK

The Division is providing this guidance to assist bank management with defining remote work conditions and corresponding security protocols. South Dakota bank staff may conduct banking activities provided the remote work location is physically located in South Dakota and adequate security protocols are implemented. With respect to remote work in other states, it is permitted to the extent it follows this guidance and allowed by the host state regulatory authority.

Banks that allow remote work by their employees must draft and implement comprehensive policies and procedures to ensure remote work is conducted in a secure and professional manner. A comprehensive remote work program should implement, at minimum, the following requirements and limitations:

1. Ensure in-person interactions with customers and consumers are not conducted at the remote work location and the remote location is not represented as a business location, branch, or Loan Production Office (LPO);
2. Maintain secure virtual private networks or similar system and other appropriate safeguards for customer data, information, and records;
3. Ensure employees have secure internet connections and all security updates and patches are up to date on all remote devices;
4. Employ appropriate risk-based monitoring and oversight processes of work performed from a remote location and maintain records of the oversight process;
5. Ensure customer information and bank records are not maintained at the remote location;
6. Ensure customer information and bank records remain accessible and available for regulatory oversight and examination;
7. Provide appropriate employee training to keep all conversations about and with customers conducted from the remote location confidential, as if conducted from a bank branch or LPO, and to ensure remote employees work in an environment that maintains confidentiality.

Banks with employees working remotely at the time this guidance is issued must take immediate steps to come into compliance with this guidance. Many states require banks to register

with their Secretary of State or equivalent before business development or loan officers are permitted to operate in their state. If bank employees were meeting with customers or potential customers at the bank employee's remote work location prior to the issuance of this guidance, the bank must take immediate steps to change their business practices, establish a branch or LPO, or both.

If you would like additional information, or if you have any questions, please do not hesitate to contact the Division at 605-773-3421.