



State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor**

Wendy K. Baumann, **Secretary-designee**

June 3, 2025

TO: Lenders licensed under section 138.09 of the Wisconsin Statutes

FROM: Division of Banking

RE: Remote work practices

The Division of Banking administers section 138.09 of the Wisconsin Statutes, which governs licensed lenders that make, take assignment of, collect payments from, or otherwise enforce consumer loans with finance charges that exceed 18 percent per year.¹ Among other requirements, section 138.09 provides that a “separate license shall be required for each place of business maintained by the licensee,”² which “shall permit operation under it only at or from the location specified in the license.”³ This guidance document addresses how the Division construes these provisions in light of modern conventions concerning remote work.

Section 138.09 does not specify the type of “operation” that may only be performed from a licensed location. One could construe the term “operation” in the broadest possible sense, concluding that *any* work in furtherance of the licensee’s business can only be performed from a licensed location. But there are reasons to believe the Legislature did not intend such an expansive reading of the term. Section 138.09(6), for example, contemplates that licensees may store books and records at places other than licensed locations, provided they are accessible and maintained in a manner that enables the Division to determine whether the licensee is complying with applicable state law.⁴ These and similar provisions⁵ suggest that the Legislature did not intend for the Division to rigidly construe the term “operation” as requiring every business function of the licensee to be performed at a licensed location, but rather to apply it in a manner that is flexible and consistent with modern business practices—so long as those practices do not impair the Division in meeting its fundamental duty of ensuring that each licensee is operating in a safe and sound manner.⁶

¹ Wis. Stat. § 138.09(1g)(a).

² Wis. Stat. § 138.09(3)(d).

³ Wis. Stat. § 138.09(3)(c).

⁴ Wis. Stat. § 138.09(6).

⁵ See Wis. Stat. § 138.09(3)(c) (allowing the Division to authorize lenders to make loans away from the licensed location under certain circumstances).

⁶ Wis. Stat. § 220.04(9)(b)2.

Division of Banking

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Therefore, the Division will apply the following guidelines concerning whether and how section 138.09 licensees may permit remote work by employees while ensuring that their operations remain safe, sound, and compliant with state law:

- **Pre-approval by the Division required.** A licensee must obtain the Division's approval of any proposed program or policy for remote work by employees. A licensee can request approval by email at DFI_LFS@dfi.wisconsin.gov. The email should specify the approximate number of employees that will work from home and the business activities they will engage in. The email must also include a representation that the licensee's remote work practices will comply with the guidelines below.

- **Limitations on the types of remote work activities.** In general, work-from-home activities must be limited to "back office" operations (such as account maintenance or bankruptcy claim processing) or call center functions (such as fielding customer questions or collecting delinquent payments). Employees working from home may not engage in activities directly related to the origination or refinancing of consumer loans in Wisconsin, and they may not conduct in-person meetings with customers or receive customer mail at home.

- **Information security safeguards.** The licensee must implement measures to ensure customer information is kept secure and private even when employees are working from home, including:

- Ensuring that all conversations with or about customers are private and not within earshot of other members of an employee's household.
- Not allowing employees to maintain physical business records at their homes.
- Requiring employees to connect to the office using a virtual private network (VPN), and disabling the option to print documents accessible by VPN at home.
- Requiring employees to use the licensee's email system for any customer-related emails.
- Requiring the use of strong passwords and other reasonable measures to keep electronic customer data and personally identifiable information secure, confidential, and protected from inadvertent disclosure.

- **Written policies and procedures required.** The licensee must have written policies and procedures relating to remote work, which must include provisions addressing cybersecurity and compliance with the Gramm-Leach-Bliley Act and the Safeguards Rule.

- **Monitoring and oversight required.** The licensee must employ appropriate risk-based monitoring and oversight measures to ensure that employees working remotely are

compliant with its remote work policies and procedures, these guidelines, and applicable state and federal law. Appropriate monitoring and oversight activities include:

- Keeping a current list of all employees who work from home, including their home addresses and the business activities they carry out from home, which must be provided to the Division upon request.
- Providing remote employees with data security training.
- Maintaining security logs of remote logins, as well as measures to detect suspicious logins or attempted logins and to suspend access by potentially compromised accounts or devices.
- Having procedures to respond to data breaches, including the ability to lock, erase, or otherwise limit access to customer information on any device used by the remote employee to access such information from home.
- Maintaining audio files of business calls made or received by employees while working from home.

Finally, the Division notes that its duty to protect the safety and soundness of licensees' operations remains the same regardless of where they are carried out. Licensees must continue to provide timely and accurate information to the Division regarding those operations, including tasks performed by employees working remotely, and must comply with any requests or direction from the Division that may be necessary to help ensure the safety and soundness of those operations for the benefit of their customers.