

CHAPTER 404

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 22-1410

BY REPRESENTATIVE(S) Bird and Rich, Bennett, Duran, Lindsay, McCluskie, Pico, Ricks, Soper;
also SENATOR(S) Holbert and Rodriguez, Gonzales, Scott, Winter.

AN ACT

CONCERNING THE REGULATION OF CERTAIN FINANCIAL SERVICES BUSINESSES, AND, IN CONNECTION THEREWITH, PERMITTING EMPLOYEES OF A SUPERVISED LENDER TO WORK FROM A REMOTE LOCATION AND REMOVING THE REQUIREMENT FOR A DEBT-MANAGEMENT SERVICES PROVIDER TO SUBMIT CRIMINAL HISTORY RECORD CHECK RESULTS FOR AGENTS OF THE PROVIDER.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 5-2-302, **amend** (7) as follows:

5-2-302. License to make supervised loans - rules - definition. (7) (a) EXCEPT AS PROVIDED IN SUBSECTION (7)(b) OF THIS SECTION, a licensee shall not engage in the business of making supervised loans at any place of business for which the licensee does not hold a license, nor shall a licensee engage in business under any other name than that in the license. The administrator may, by rule, establish an administrative fee for such a change of name. For the purposes of this subsection (7), a consumer insurance premium loan is made at the lender's business office.

(b) (I) SUBJECT TO RULES ADOPTED BY THE ADMINISTRATOR, NOTHING IN THIS PART 3 PROHIBITS A LICENSEE FROM PERMITTING ITS EMPLOYEES TO WORK FROM A REMOTE LOCATION SO LONG AS THE LICENSEE:

(A) ENSURES THAT NO IN-PERSON CUSTOMER INTERACTIONS ARE CONDUCTED AT THE REMOTE LOCATION AND DOES NOT DESIGNATE THE REMOTE LOCATION TO CONSUMERS AS A BUSINESS LOCATION;

(B) MAINTAINS APPROPRIATE SAFEGUARDS FOR LICENSEE AND CONSUMER DATA, INFORMATION, AND RECORDS, INCLUDING THE USE OF SECURE VIRTUAL PRIVATE NETWORKS, ALSO KNOWN AS "VPNS", WHERE APPROPRIATE;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(C) EMPLOYS APPROPRIATE RISK-BASED MONITORING AND OVERSIGHT PROCESSES OF WORK PERFORMED FROM A REMOTE LOCATION AND MAINTAINS RECORDS OF THE MONITORING AND OVERSIGHT PROCESSES;

(D) ENSURES CONSUMER INFORMATION AND RECORDS ARE NOT MAINTAINED AT A REMOTE LOCATION;

(E) ENSURES CONSUMER AND LICENSEE INFORMATION AND RECORDS REMAIN ACCESSIBLE AND AVAILABLE FOR REGULATORY OVERSIGHT AND EXAMINATION; AND

(F) PROVIDES APPROPRIATE EMPLOYEE TRAINING TO ENSURE EMPLOYEES WORKING FROM A REMOTE LOCATION KEEP ALL CONVERSATIONS ABOUT AND WITH CONSUMERS THAT ARE CONDUCTED FROM THE REMOTE LOCATION CONFIDENTIAL, AS IF CONDUCTED FROM A COMMERCIAL LOCATION, AND TO ENSURE THAT EMPLOYEES WORKING AT A REMOTE LOCATION WORK IN AN ENVIRONMENT THAT IS CONDUCIVE AND APPROPRIATE TO ENSURING PRIVACY AND CONFIDENTIAL CONVERSATIONS.

(II) AS USED IN THIS SUBSECTION (7)(b), "REMOTE LOCATION" MEANS A PRIVATE RESIDENCE OF AN EMPLOYEE OF A LICENSEE OR ANOTHER LOCATION SELECTED BY THE EMPLOYEE AND APPROVED BY THE LICENSEE.

SECTION 2. In Colorado Revised Statutes, 5-19-206, **amend** (12) as follows:

5-19-206. Application for registration - required information. An application for registration shall be signed under penalty of false statement and include:

(12) At the applicant's expense, the results of a state and national fingerprint-based criminal history ~~records~~ RECORD check, conducted within the immediately preceding twelve months, covering every officer of the applicant and every employee ~~or agent~~ of the applicant who is authorized to initiate transactions to the trust account required by section 5-19-222. The administrator shall be the authorized agency to receive information regarding the result of the national criminal history ~~records~~ RECORD check. If a provider delegates to an independent contractor or subcontractor the authority to initiate transactions to the trust account required by section 5-19-222, the administrator is entitled to receive the results of the state and national fingerprint-based criminal history ~~records~~ RECORD check only for those independent contractors or subcontractors who are authorized to initiate trust account transactions pursuant to that delegated authority.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 7, 2022