



# Mortgage Regulation Act Regulatory Information Program

► SPRING 2023

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## Welcome to the Regulatory Information Program for the *Mortgage Regulation Act (MRA)*

- ▶ Completion of this program is a licensing requirement for obtaining and renewing a mortgage broker license.
- ▶ This presentation highlights some of the requirements under the MRA, provides updates on current issues, and draws attention to recent directives provided by the Registrar.
- ▶ **Please note:** It is expected that each licensee reads and understands their responsibilities under the legislation, and ensures they are acting and conducting business in a manner that is compliant with the MRA and regulations.

# Introduction (cont.)

The MRA provides robust requirements related to:

- ▶ Consumer Protection (bonds, trust accounts, disclosure docs, standards of conduct)
- ▶ Education (alignment to standard industry competencies)
- ▶ Experience (suitable years in practice)
- ▶ Operational reporting (e.g. financial statements, sales records, etc. on renewal only)



There are 5 license types and 2 roles – Principal Broker and Compliance Officer





# Licensing Overview

# Licensing Overview

- ▶ **A mortgage brokerage license** authorizes the licensee to engage or employ mortgage brokers
- ▶ **A mortgage broker license** authorizes the licensee to broker mortgages on behalf of the mortgage brokerage named on the license
- ▶ **An associate mortgage broker license** authorizes the licensee to broker mortgages on behalf of the mortgage broker named on the license while acting under the supervision of a licensed mortgage broker
- ▶ **A mortgage administrator license** authorizes the licensee to carry on the business of administering mortgages and to receive and hold trust property in the course of that business
- ▶ **A mortgage lender license** authorizes the licensee to carry on the business of lending money on the security of mortgages

**Please Note:** Every mortgage lender, mortgage brokerage, mortgage broker, associate mortgage broker, and mortgage administrator carrying on business in the Province must hold a valid license under this Act unless exempted from the requirement to have such a license





# Role of the Principal Broker

# Role of the Principal Broker

The Principal Broker is an important role under the MRA and has its own set of regulations – the *Principal Broker Regulations*:

- ▶ The Principal Broker is the sole point of contact with the Registrar for licensing, complaints, inspections, correspondence with the Registrar's office, and annual reports
  - Questions from within the brokerage must be brought to the attention of the Principal Broker first, who can then follow up with the Registrar, if necessary.
- ▶ Principal Brokers must:
  - Submit applications on behalf of mortgage brokers and associate mortgage brokers
  - Create, implement, and review policies to ensure compliance with the MRA
  - Certify each mortgage broker and associate mortgage broker authorized to broker mortgages for their brokerage are competent to carry out their duties and responsibilities under the MRA
  - Ensure each associate mortgage broker is adequately supervised



# Role of the Principal Broker (cont.)

## ► Principal Brokers must (continued):

- Ensure regular audits are completed on the work of the brokerage and each mortgage broker and associate mortgage broker to ensure compliance with the MRA
- Investigate and respond to any complaints made to the brokerage
- Advise the Registrar immediately on becoming aware of any contraventions of the MRA or its regulations by the brokerage, mortgage broker, or associate mortgage broker
- Advise the Registrar in writing immediately if any mortgage broker or associate mortgage broker ceases to be authorized to broker mortgages on behalf of the brokerage
- Ensure the Registrar is notified immediately in writing of any changes to the business address, fax or email provided in an application for a license

# Role of the Principal Broker (cont.)

- ▶ Principal Broker licensees must notify the Registrar within 10 days of the following:
  - A change in location of principal place of business
  - Opening or closing of an office that is open to the public
  - A change in any directors or officers, partners or general partners, principal broker
  - A cancellation or non-renewal of Errors and Omissions insurance
  - Any change that affects any previous information given to the Registrar



# Licensing Requirements

# Initial Licensing Requirements

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- ▶ Licensing requirements are detailed in the *Mortgage Lender, Brokerage, Broker and Administrator Licensing Regulations*.
- ▶ Mortgage brokers (including the Principal Broker) and associate mortgage brokers may only be authorized to broker mortgages on behalf of one brokerage.
- ▶ **A mortgage broker** is defined as a person, unless exempt by the regulations, who functions for a fee as an intermediary between a borrower and a lender in securing a mortgage from a lender.
- ▶ **Applicants for an initial mortgage broker licence must:**
  - Be at least 19 years old and be a resident of Canada
  - Provide the results of a criminal record check (issued within three months of the date of application)
  - Within 2 years preceding application, successfully complete an educational program for licensing and provide proof satisfactory to the Registrar, unless exempted or holding a mortgage broker (or equivalent) license from a recognized province
  - Within 2 years preceding application, have completed this regulatory information program offered by the Registrar



# Initial Licensing Requirements (cont.)

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## ▶ **Applicants for an initial mortgage broker licence must (continued):**

- Have held an associate mortgage broker license for at least 12 of the 24 months immediately preceding application, unless exempted or holding a mortgage broker (or equivalent) license from a recognized province
- Be authorized to broker mortgages on behalf of the licensed brokerage that will be named on the applicant's license (confirmation to be provided by brokerage and accompany application)
- Provide confirmation that you have read and understand the Act and regulations and agree to be bound by their provisions
- Pay a fee of \$300

## ▶ Mortgage brokers may supervise associate mortgage brokers.

# Initial Licensing Requirements (cont.)

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- ▶ **An associate mortgage broker** is defined as a person who acts as a mortgage broker on behalf of a mortgage brokerage and under the supervision of a designated mortgage broker, as an employee or otherwise.
- ▶ **Applicants for an initial associate mortgage broker licence must:**
  - Be at least 19 years old and be a resident of Canada
  - Provide the results of a criminal record check (issued within three months of the date of application)
  - Within 2 years preceding application, successfully complete the educational program for the associate mortgage broker license and provide proof satisfactory to the Registrar
  - Be authorized to broker mortgages on behalf of the licensed brokerage that will be named on the applicant's license (confirmation to be provided by brokerage and accompany application)
  - Provide confirmation that they have read and understand the Act and regulations and agree to be bound by their provisions
  - Pay a fee of \$300

# Renewal Licensing Requirements

- ▶ All licences expire October 31 in the calendar year after the year it was issued or renewed
- ▶ For renewal applications, applicants must:
  - Satisfy all of the licensing requirements, including those for continuing education
  - Be in compliance with the Act and its regulations
  - Not have done anything to cause the Registrar to believe it is not in the public interest to renew the licence
- ▶ A criminal record check is not required for a renewal application if the applicant confirms there has been no change in the information shown on the most recent criminal record check provided to the Registrar and the Registrar is satisfied that no further verification is required



# Education/Experience Requirements



# Education/Experience Requirements

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<i>Initial licence</i>	<b>New Mortgage Broker</b>
<b>1</b>	The applicant must have been licensed as an associate mortgage broker for 12 of the 24 months immediately before the date of application.
<b>2</b>	The applicant must have successfully completed the <i>Nova Scotia Mortgage Broker Education Program</i> within the two years immediately before the date of application.
<b>3</b>	The applicant must have completed this Regulatory Information Program about the MRA and regulations before they can be licensed.

# Education/Experience Requirements (cont.)

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<i>Initial licence</i>	<b>New Associate Mortgage Broker</b>
<b>1</b>	The applicant must have successfully completed the <i>Nova Scotia Associate Mortgage Broker Course</i> within the two years immediately before the date of application.

# Education/Experience Requirements

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<i>Initial licence</i>	<b>Mortgage Broker with Experience</b>
<b>1</b>	The applicant is a mortgage broker who brokered mortgages and was exempt from the requirement to hold a license under the MRA for 24 of the 36 months immediately before the date of application (ex. federally regulated bank).
<b>2</b>	The applicant must successfully complete the <i>Nova Scotia Mortgage Broker Education Program</i> before the date their new initial license under the MRA expires. The course must be successfully completed before the license can be renewed.
<b>3</b>	The applicant must have completed this Regulatory Information Program about the MRA and regulations before they can be licensed.

# Education/Experience Requirements

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<i>Initial licence</i>	<b>Mortgage Broker Currently Licensed in Another Province</b>
<b>1</b>	The applicant is currently licensed as a mortgage broker or equivalent in another province we recognize at the time of application. The provinces we currently recognize are BC, AB, SK, MB, ON, QC, and NB.
<b>2</b>	The applicant must have completed this Regulatory Information Program about the MRA and regulations before they can be licensed.



# Education/Experience Requirements (cont.)

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Province	Mortgage Broker Equivalents
British Columbia	Submortgage Broker
Alberta	Mortgage Broker
Saskatchewan	Mortgage Broker
Manitoba	Authorized Official
Ontario	Mortgage Broker
Quebec	Mortgage Broker
New Brunswick	Mortgage Broker

# Education/Experience Requirements - Renewal

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<i>Licence renewal</i>	<b>Mortgage Brokers</b>
<b>1</b>	Completed this Regulatory Information Program within the 2 years immediately before date of application
<b>2</b>	Successfully completed the education program for initial licensing within the 2 years before the date of application (available through Mortgage Professionals Canada), <b>but if more than 2 years has passed, then...</b>

# Education/Experience Requirements - Renewal

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<i>Licence renewal</i>	<b>Associate Mortgage Brokers</b>
<b>1</b>	Successfully completed the education course for initial licensing within the 2 years before the date of application (available through Mortgage Professionals Canada), <b>but if more than 2 years has passed, then...</b>
	Successfully completed the continuing education course within the 2 years before the date of application (available through Mortgage Professionals Canada), which will begin to apply to many licensees renewing their licences in October 2023.



# Exemptions



# Exemptions from the MRA

## *Full Exemption*

1. Simple Referrals: When a person only *refers* a borrower to a mortgage professional (or vice-versa), they do not need to be licensed, even if they are compensated, if they disclose in writing:
  - ▶ The amount and nature of the remuneration (or a reasonable estimate)
  - ▶ The nature of their relationship with the mortgage professional
  - ▶ Only share the information permitted by the regulations and receive the borrower's written consent before sharing the information.
2. All federally regulated financial institutions (FRFIs) and a director, officer or employee when acting solely on behalf of the FRFI

# Exemptions from the MRA (cont.)

## *Full Exemption*

**3.** High value commercial loans: A mortgage broker or lender who deals exclusively in mortgages that meet all of the following conditions:

- ▶ Mortgages are for more than \$1M;
- ▶ The *Cost of Borrowing Disclosure Regulations* do not apply (i.e., the loans are for business purposes);
- ▶ None of the investors in the mortgage is a private investor, **or** 1 or more of the investors in the mortgage are private investors and a person exempted from the Act (FRFIs and Credit Unions or a representative acting on their behalf) brokers the mortgage on behalf of each private investor.

**4.** A person that undertakes activities in relation to a syndicated mortgage that are regulated under the *Securities Act* .

# Exemptions from the MRA (cont.)

## ***Partial Exemption – Cost of Borrowing Disclosure Regulations requirements still apply***

(Licensing, reporting, and compliance officer requirements do not apply)

**1.** From administrator and broker licenses: when acting in a broker/administrator function in the normal course of their professional capacity on behalf of a client:

- ▶ Credit Unions
- ▶ A practicing lawyer (if the activity is insured under their professional liability insurance – i.e., a lawyer cannot start acting as a mortgage broker outside of the typical duties of a lawyer)
- ▶ A trustee in bankruptcy
- ▶ A person acting under an order of the Court or on behalf of the Crown

**2.** From lender licenses: a person lends their own money on the security of 4 or fewer mortgages over any 12-month period, with the total value of all mortgages combined not exceeding \$1M. This also applies to a director, officer, or employee.



# Standards of Conduct

## Mortgage Brokers and Associate Mortgage Brokers

# Standards of Conduct – Mortgage Brokers and Associate Mortgage Brokers

Mortgage Brokers and Associate Mortgage Brokers have their own set of conduct regulations called the *Standards of Conduct for Mortgage Brokers and Associate Mortgage Brokers Regulations*

## ► **Duty toward authorizing brokerage**

- A mortgage broker or associate mortgage broker must not do or omit to do anything if the action or omission might reasonably be expected to result in the authorizing mortgage brokerage contravening or failing to comply with the Act or its regulations.

## ► **Dishonesty, fraud, crime or illegal conduct**

- A mortgage broker or associate mortgage broker must not act, or do or omit to do anything, in circumstances in which the mortgage broker or associate mortgage broker ought to know that by acting, doing the thing or omitting to do the thing the mortgage broker or associate mortgage broker is being used by a borrower, mortgage lender, investor or any other person to facilitate dishonesty, fraud, crime or illegal conduct.



# Standards of Conduct – Mortgage Brokers and Associate Mortgage Brokers (cont.)

## ► **Remuneration other than from authorizing mortgage brokerage**

- A mortgage broker or associate mortgage broker must not receive, directly or indirectly, any fee or other remuneration for brokering mortgages from a person other than the authorizing mortgage brokerage. This does not apply to a fee or other remuneration paid to a mortgage broker or associate mortgage broker from the authorizing mortgage brokerage from money received from another person for services provided by the mortgage broker or associate mortgage broker.

## ► **Non-monetary incentives**

- A mortgage broker or associate mortgage broker may receive, directly or indirectly, an incentive other than money from a mortgage lender or a financial institution for brokering mortgages if all the following conditions are satisfied:
  - a) the authorizing mortgage brokerage consents to the provision of the incentive;
  - b) the authorizing mortgage brokerage and the mortgage lender or financial institution have a written agreement governing the provision of the incentive;

# Standards of Conduct – Mortgage Brokers and Associate Mortgage Brokers (cont.)

## ► **Non-monetary incentives (cont.)**

- (c) the mortgage broker or associate mortgage broker has a written agreement with the mortgage lender or financial institution governing the provision of the incentive;
- (d) each of the agreements referred to in clauses (b) and (c) requires the mortgage lender or financial institution to give the authorizing mortgage brokerage particulars about all of the following matters both periodically and on request:
  - (i) each incentive provided by the mortgage lender or financial institution to the mortgage broker or associate mortgage broker during the applicable period,
  - (ii) if an incentive entitles the mortgage broker or associate mortgage broker to exercise 1 or more options in the future, particulars of each option exercised during the applicable period.

## ► **Brokering mortgages in licensee name**

- A mortgage broker or associate mortgage broker must not broker mortgages in a name other than the name set out on their license.



# Standards of Conduct Mortgage Brokerages

# Standards of Conduct – Mortgage Brokerages

Mortgage Brokerages have their own set of conduct regulations called the *Standards of Conduct for Mortgage Brokerages Regulations*

## ► Common duties

- Ensure individuals are eligible to be licensed to broker mortgages before authorizing them to broker mortgages on the mortgage brokerages' behalf
- Verify the identity of each borrower, investor, and lender in mortgage transactions
- Return promptly, and without charge, a deed, instrument or other document to its owner
- Establish policies and procedures reasonably designed to ensure the mortgage brokerage and each of its mortgage brokers and associate mortgage brokers complies with the Act and regulations
- Respond to written complaints about the mortgage business activities

# Standards of Conduct – Mortgage Brokerages (cont.)

## ► Responsibilities

- Discontinue acting as a representative of a borrower, lender, or investor in respect of a mortgage if there are reasonable grounds to believe that the mortgage is unlawful
- Advise lenders and investors of doubts related to a borrower's legal authority to mortgage a property or the accuracy of information in a borrower's mortgage application or supporting documents

## ► Restrictions and conditions

- Do not sell/arrange for (or attempt to sell/arrange for) the sale of a mortgage that has been in default any time in the previous 12 months unless the brokerage clearly discloses the details of the default
- Do not arrange a reverse mortgage unless it receives a written statement from the borrower and signed by a lawyer stating that independent legal advice has been provided
- Do not coerce a borrower, lender, or investor to obtain a product or service as a condition for obtaining another service from the mortgage brokerage



# Standards of Conduct – Mortgage Brokerages (cont.)

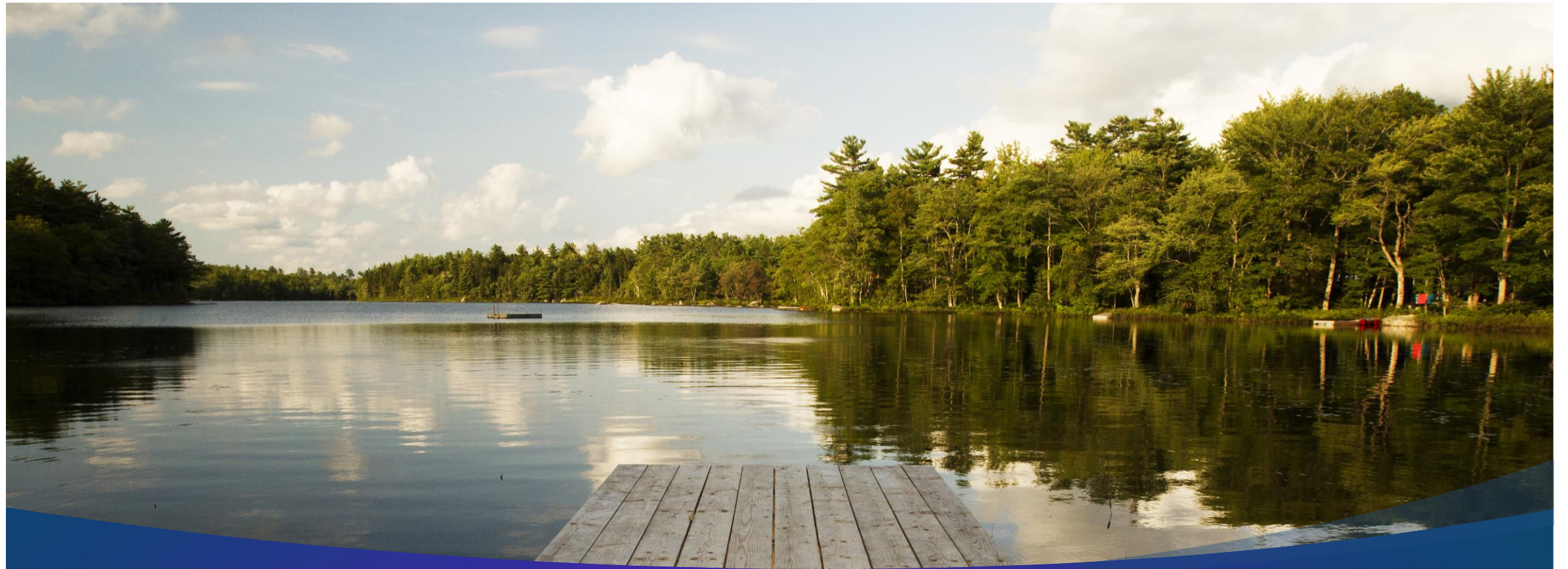
## ► Payments

- Must disclose details in writing of any remuneration to be received for referring a borrower or private investor to another person
- Must not remunerate unlicensed persons for any activity requiring a licence, or an individual licensed to broker mortgages on behalf of another brokerage
- Must not charge, collect, or attempt to collect a fee from a borrower until the lender has provided written confirmation to fund, the commitment has been accepted by the borrower, and a signed copy has been provided to the borrower (does not apply to certain fees if agreed to in a written agreement between the brokerage and borrower)
- Must not receive money from a mortgage lender or investor for any activity requiring a mortgage licence unless an application has been made for a mortgage, or an existing mortgage available on, a specific property
- Must not represent that any amount payable to the mortgage brokerage in connection with carrying on the business of a mortgage brokerage is set or approved by any government authority

# Standards of Conduct – Mortgage Brokerages (cont.)

## ► Duties to lenders and investors

- Each mortgage lender and investor in a syndicated mortgage is owed by the brokerage the duties imposed by the regulations in respect of a mortgage or investment
- A mortgage brokerage required to act in the best interests of a private investor must take reasonable steps to ensure that any investment in a mortgage that it presents for the consideration of the private investor is suitable for the private investor
- Mortgage brokerages must disclose certain information to lenders and investors, including the nature of the relationship between the brokerage and any person involved in the mortgage transaction, conflicts of interest, or material risks
- After the completion of a mortgage transaction with a private investor, a mortgage brokerage must ensure they are provided copies of documents related to the transaction such as the recorded mortgage



# Best Interests

- ▶ Every mortgage brokerage must act in the best interests of the borrower, unless required to act in the best interests of the private investor
- ▶ A mortgage brokerage must act in the best interests of the private investor if the brokerage:
  - Solicits the private investor to invest in the mortgage
  - Negotiates or arranges an investment in a mortgage by the private investor
  - Provides advice to the private investor with respect to the appropriateness of making a particular investment in a mortgage
- ▶ A mortgage brokerage acting in the best interests of a private investor must ensure the borrower is represented by another brokerage

# Best Interests (cont.)

- ▶ A private investor is defined in the Mortgage Regulation Act General Regulations as a person who invests in a mortgage and is not:
  - The Crown in right of Canada or any province or territory
  - A licensed brokerage, lender or administrator acting on its own behalf
  - A federally regulated financial institution
  - A corporation that is a subsidiary of the above
  - A corporation that is an approved lender under the National Housing Act (Canada)
  - An administrator or trustee of a registered pension plan
  - An adviser/dealer registered under the Securities Act (NS) or equivalent in any Canadian jurisdiction, when acting as principal/agent/trustee for accounts fully managed by them
  - A person or entity where all of the owners of interests are persons described above





# Advertising and Correspondence Requirements

## ► What is considered advertising under the MRA?

- Any means (tangible or digital) used to promote your business or provide information to clients or potential clients. This includes but is not limited to:
  - Traditional Advertising
  - Websites
  - Social Media
  - Business Cards
  - Flyers
  - Internet ads (including social media ads)

## ► Website and email address requirements

- There is no requirement for a licensee's website domain name and email address to be in the name in which they are licensed.

## Mortgage Brokerages

- ▶ All advertising must clearly and prominently disclose the licensee's authorized name and license number as shown on their licence. Also, please note:
  - **Franchises:** If the name includes a franchise name that they are permitted to use under a franchise agreement, a statement must be included in all advertising clearly indicating that they are independently owned and operated.
  - **Operating Names, Doing Business As Names or Trademarks:** If the name includes an operating name, doing business as name or trademark that they are permitted to use, that name must appear in all advertising.
  - **Additional/Team Names:** No additional names may be used in advertising. For example, a brokerage leading a team of mortgage brokers and associate mortgage brokers must not advertise under a "team" name (unless the "team" name is the name authorized on its licence).
- ▶ Mortgage brokerages that identify a mortgage broker or associate mortgage broker by name in advertising must only use the individual's authorized name as shown on their licence. They must also include each individual's title as shown on the licence (or variation as approved in the *Standards of Conduct for Mortgage Brokerages Regulations*).

## Mortgage Brokers and Associate Mortgage Brokers

- ▶ All advertising must clearly and prominently disclose
  - Their authorized name as shown on their license
  - Title as shown on the licence (or variation as approved in the *Standards of Conduct for Mortgage Brokers and Associate Mortgage Broker Regulations*), and
  - The name of the mortgage brokerage for which they are authorized to act
- ▶ Also, please note:
  - **Franchises:** If the name of the authorizing mortgage brokerage includes a franchise name that it is permitted to use under a franchise agreement, a statement must be included in all advertising clearly indicating that they are independently owned and operated.

## All Licensees

- ▶ There is no requirement for a licensee's email address to be in the name in which they are licensed.
- ▶ All licensees must clearly and prominently disclose the authorized name and licence number as shown on their licence in all correspondence and other written material prepared or used in the course of business.
  - **Email signatures:** Clearly disclose the authorized name and license number of the mortgage lender, mortgage brokerage, or mortgage administrator, and the authorized name and title of the individual sending the email.
  - **Additional/Team Names:** No additional names may be used in correspondence. Licensees must use the name as shown on their licence.



# Correspondence (cont.)

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## **Mortgage Brokerages**

- ▶ Franchises: If the name includes a franchise name that they are permitted to use under a franchise agreement, a statement must be included in all correspondence clearly indicating that they are independently owned and operated.
- ▶ Operating Names, Doing Business As Names or Trademarks: If the name includes an operating name, doing business as name or trademark that they are permitted to use, that name must appear in all correspondence.

## **Mortgage Brokers and Associate Mortgage Brokers**

- ▶ Mortgage brokers and associate mortgage brokers must include the authorized name and license number of the authorizing mortgage brokerage in all correspondence and other written material prepared or used in the course of business.
- ▶ Franchises: If the name of the authorizing mortgage brokerage includes a franchise name that it is permitted to use under a franchise agreement, a statement must be included in all advertising clearly indicating that they are independently owned and operated.

entered into by (hereinafter referred to as "the Provider")  
date, in Nova Scotia, Canada.

of business is and the Client's place of business

engages the Provider to provide services described  
"Services." The Provider hereby agrees to provide  
for consideration described herein.

# Disclosure Requirements

# Disclosure Requirements

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- ▶ The *General Disclosure Regulations* require disclosure to be in plain, clear and concise language, presented in a manner that is logical and likely to bring to the attention of the borrower, lender or investor the information that is required to be conveyed.
- ▶ Disclosure may contain an estimate or assumption if actual information cannot be known at the time of disclosure, however:
  - The estimate or assumption must be reasonable
  - If it contains an estimate or is based on an assumption, it must include a clear statement to that effect

# Disclosure Requirements (cont.)

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- ▶ A brokerage acting in the best interests of the borrower must provide the borrower with a completed Form 1 – Mortgage Brokerage Disclosure before providing any services
- ▶ Form 1 introduces the brokerage to the borrower – a “Meet and Greet” form – that:
  - Explains roles and obligations of the brokerage
  - Discloses interest in lenders, including if any lender funded more than 20% of the brokerage’s mortgages in last year
  - States that the brokerage will be compensated, and the details are to be provided in the Form 2—Mortgage Brokerage Recommendation and Assessment
  - Requires the brokerage to retain a copy signed and dated by the borrower

# Disclosure Requirements (cont.)

- ▶ Once a brokerage determines the mortgage most suitable for the borrower, they must provide them with Form 2 – Mortgage Broker Recommendation and Assessment at least 1 day before the borrower commits to the mortgage or makes any payment
- ▶ Form 2 summarizes key information on the recommended mortgage. It also:
  - Provides a description of how the brokerage will be compensated for the transaction
  - Explains any refusals to fund a mortgage
  - Clarifies assessment criteria to determine the recommended mortgage most suitable for the borrower
  - Provides information on next-best mortgage options (if more than 1 option is available for consideration)
  - Discloses any interest the brokerage or representatives have in the mortgage
  - May waive 1 day requirement with legal advice
  - Requires the brokerage to obtain written acknowledgement that Form 2 was provided to borrower





# Cost of Borrowing Disclosure

# Cost of Borrowing Disclosure

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- ▶ Mortgage lenders must provide to a borrower a written disclosure statement that describes all relevant information on the cost of borrowing, either in Form 3 – Mortgage Disclosure Statement or another document in compliance with the Cost of Borrowing Disclosure Regs
  - Mortgage brokerages must ensure this information is provided to the borrower by, or on behalf of, the mortgage lender
  - Must be provided at least 2 days before the borrower signs the mortgage or makes any payment (except an application fee)
  - Borrowers may waive requirement with legal advice

**[Link to the Forms Regulations](#)**



# Enforcement

## ► Grounds to Refuse a License

- The Registrar may refuse to issue or renew a license if the Registrar is not satisfied that the applicant has met the requirements or where the Registrar is of the opinion that it is not in the public interest to issue or renew a license. If refusing to issue or renew a license, the Registrar must give notice and give the applicant an opportunity to make written or oral representations.

## ► License Suspension

- A brokerage's license is automatically suspended if there are no brokers authorized to broker mortgages on its behalf
- A broker or associate broker's license is automatically suspended if they cease to be authorized by a brokerage, or if the brokerage's license is suspended or cancelled
- The Registrar has the authority to suspend or cancel a license, including situations where a license has been refused or cancelled for non-compliance
- A license may be reinstated as appropriate (e.g., the reason for suspension is resolved), subject to a reinstatement fee of 50% of the license type's annual fee (i.e., \$300 for a corporate license or \$150 for an individual license)

# Enforcement (cont.)

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## ▶ Other Enforcement Tools

- The Registrar may at any time attach, amend or repeal terms and conditions to a license

## ▶ If the Registrar is satisfied that a person has contravened the Act, they may impose any or all of the following penalties:

- Individuals – an administrative monetary penalty (AMP) not exceeding \$5k
- Corporations – an AMP not exceeding \$50k
- A private or public reprimand
- A penalty to pay the cost of producing material to promote education or knowledge in areas related to activities of licensees, provided that the total penalties for the same contravention do not exceed the maximum AMP amounts as above



- ▶ It is an offence to contravene the Act or regulations, fail to comply with direction from the Registrar or make false or misleading statements. A person guilty of an offence is liable on summary conviction
  - **Individuals:** A fine not exceeding \$500k, imprisonment not exceeding 1 year, or both
  - **Corporations:** A fine not exceeding \$1M
  
- ▶ **Note:** Where a corporation contravenes the MRA or the regulations, a director or officer of the corporation who authorized, allowed or acquiesced in the contravention is also guilty of an offence and liable on summary conviction to the penalties set out in subsection (3), regardless of whether the corporation has been prosecuted or convicted



## Other Items of Note

## 2022 Amendments to the Ministerial Regulations

### ► *Forms Regulations*

- Reduced duplication of effort by moving disclosure of compensation detail requirements in Form 1 exclusively to Form 2
- Clarified in Form 2 that the completion of the next-best options section is not required, and that standard practice is to use knowledge about all available lender options to determine one mortgage option most suitable to the client

### ► *Standards of Conduct for Mortgage Brokerages Regulations and Standards of Conduct for Mortgage Brokers and Associate Mortgage Brokers Regulations*

- Expanded the list of licence titles permitted for use in advertising by adding “mortgage broker associate” and “mortgage associate”

# Public Register of Licensees

- ▶ Information about each licensee will be contained in a public register, including:
  - Company information
  - Person licensed (including contact information)
  - Licence number
  - Type of licence
  - Status of licence
- ▶ Information must be kept in the public register for at least 2 years after the date the licensee ceased to be licensed.

# Responsibilities of Licensees

- ▶ Unless exempted from doing so in the regulations, every licensee and former licensee shall immediately inform the Registrar in writing of any action or proceeding brought in respect of the business or activities that the licensee is, or was, or the former licensee was, authorized to carry on under its license.
- ▶ No licensee shall engage in any unfair or deceptive act or practice with respect to a transaction or proposed transaction involving a mortgage.
- ▶ No licensee shall directly or indirectly offer any guarantee with respect to an investment in a mortgage.

*It is the responsibility of every licensee to ensure they are acting in such a manner that is compliant with the MRA and regulations.*

*It is expected that each licensee reads and understands their responsibilities under the legislation.*



# Resources

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Links to the MRA licensing requirements:

[Click here](#)

Links to the *Mortgage Regulation Act*

[Click here](#)

Link to the MRA Regulations

[Click here](#)

# Confirmation

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This presentation has highlighted the requirements for Mortgage Brokers under the *Mortgage Regulation Act* and its regulations, but it is expected that each licensee reads and understands their responsibilities under the legislation.

**Click below to confirm that you have completed the *Regulatory Information Program* and that you understand that it is your responsibility as a licensee under the MRA to ensure compliance with the Act and regulations.**

**Take me to the  
Confirmation Page**