

Mortgage Regulation Act-
Licensing Requirements and Roles

Mortgage Brokerage



Mortgage Brokerage Licensing Checklist

Please see the Mortgage Regulation Act and Regulations for details

- Be a Canadian resident (sole proprietors), or be incorporated (corporations) or formed under the laws of any jurisdiction in Canada (partnerships or limited partnerships)
- Designate an agent resident in Nova Scotia
- Obtain & provide proof of errors and omissions insurance – includes extending coverage for fraud
- Obtain and provide the results of all required criminal record checks issued within three months of the date of application (or confirm no changes in criminal record check status for renewal applications)
- Designate a Principal Broker
- Provide address for where your Financial Records are kept in Canada
- Pay a fee of \$600

Designated Principal Broker must:

- Be a licensed mortgage broker in Nova Scotia
- Provide confirmation that they have read and understand the Act and regulations and agree to be bound by their provisions
- Have one of the following relationships to the Brokerage:
 - If the Brokerage is a corporation, the PB is a director or officer
 - If the Brokerage is a partnership (not limited), the PB is a partner
 - If the Brokerage is a limited partnership, the PB is a general partner or a director or officer of a corporation that is a general partner
 - If the Brokerage is a sole proprietorship, the PB is the sole proprietor

Mortgage Brokerage

Any entity that employs or engages mortgage brokers and associate mortgage brokers.

The mortgage brokerage needs to:

- ▶ Designate a qualified Principal Broker to act as the sole point of contact for all licensing and regulatory issues (see below for details).
- ▶ If applicant is a corporation, partnership or limited partnership it must be incorporated or continued under the laws of any jurisdiction in Canada.
- ▶ If applicant is a sole proprietor, the applicant must be a resident of Canada.
- ▶ Have an appointed agent resident in Nova Scotia who is able to accept service of notice and documents on behalf of the applicant and has a mailing address that is not a post office box and that is suitable to permit personal service and service by registered mail;
- ▶ Provide proof that you have errors and omissions insurance. The coverage provided by the insurance must be sufficient to pay at least \$500 000 in respect of any 1 occurrence and at least \$1 000 000 in respect of the aggregate of all occurrences during a 365 day period involving the licensee, including, any mortgage broker or associate mortgage broker authorized to broker mortgages on its behalf. We will accept a copy of the Certificate of Insurance stating the coverage provided including extended coverage for loss resulting from **fraudulent acts** as proof.
- ▶ Provide the results of criminal record checks as required by [s. 11 of the Mortgage Lender, Brokerage, Broker and Administrator Licensing Regulations](#). Criminal record checks must come directly from the RCMP, Municipal Police, or Military Police, and must be issued within three months of the date of initial licence application (renewal applications may only require confirmation of no changes in criminal record check status).
- ▶ Disclose a place in Canada where records will be retained, if not the place of business in Nova Scotia.
- ▶ Pay a fee of \$600

Note that in order to receive and maintain its licence, the Brokerage must have and maintain at least one licensed mortgage broker who is authorized to broker on behalf of the Brokerage.

Principal Broker Qualifications and Responsibilities

The principal Broker must be a licensed mortgage broker, authorized by the brokerage to broker mortgages on its behalf and have the following relationship to the mortgage brokerage:

- ▶ if the mortgage brokerage is a corporation, the individual is a director or officer of the corporation,
- ▶ if the mortgage brokerage is a partnership other than a limited partnership, the individual is a partner,

- ▶ if the mortgage brokerage is a limited partnership, the individual is a general partner or is a director or officer of a corporation that is a general partner,
- ▶ if the mortgage brokerage is a sole proprietorship, the individual is the sole proprietor

Designated Individuals like a Principal Broker act as a liaison or contact person with the Registrar on behalf of the corporate licensee. This includes on licensing matters, complaints, inspections, responding to direction/orders from Registrar, providing annual returns and any other issue which may require contact between the Registrar and licensee. The Principal Broker is also responsible for ensuring that the licensee acts in compliance with the Act and regulations at all times – this is why the Individual must have high ranking in the organization.

Principal Brokers have additional responsibilities, including:

- ✓ Establishing, maintaining and periodically reviewing policies and procedures to assist the brokerage and its authorized brokers/associates in complying with the Act
- ✓ Ensuring that each broker and associate is competent to carry out duties and responsibilities
- ✓ Ensuring that each associate is adequately supervised
- ✓ Ensuring regular audits are carried out on the work of the brokerage and each broker/associate
- ✓ Investigating and responding to any complaints made to the brokerage
- ✓ Advising the Registrar immediately on becoming aware of any contravention of the Act or regulations by brokerage, broker or associate
- ✓ Advising the Registrar immediately in writing if any broker or associate ceases to be authorized by the brokerage.
- ✓ Ensuring the brokerage immediately notifies the Registrar in writing of any change to a business address, facsimile number or electronic address provided in an application for licence or renewal
- ✓ Ensuring the brokerage notifies the Registrar in writing of any change in circumstances required to be reported within 10 days (see below).

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