

Mortgage Regulation Act-
Licensing Requirements and Roles

Mortgage Lender



Mortgage Lenders 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 Compliance Officer
- Provide address for where your Financial Records are kept in Canada
- Pay a fee of \$600

Designated Compliance Officer must:

- Be at least 19 years old
- Be a resident of Canada
- Obtain and provide the results of a criminal record check issued within the three months of the date of designation and every two years while the designation is in force
- 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 Lender:
 - If the Lender is a corporation, the CO is a director or officer
 - If the Lender is a partnership (not limited), the CO is a partner
 - If the Lender is a limited partnership, the CO is a general partner or a director or officer of a corporation that is a general partner
 - If the Lender is a sole proprietorship, the CO is the sole proprietor

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Any person, unless exempt by the regulations, who extends credit secured by real property, or otherwise holds themselves out as a mortgage lender.

The mortgage lender needs to:

- ▶ Designate a qualified Compliance Officer to act as the sole point of contact for all licensing and regulatory issues (see below 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 which the Lender appoints to be able to accept service and having a mailing address that is not a post office box, suitable for personal service and service by registered mail
- ▶ Obtain and provide proof of errors and omissions insurance required by section 10 of the Licensing Regulations, which provides extended coverage for loss resulting from fraudulent acts, with coverage sufficient to pay:
 - ▶ At least \$500k in respect of any 1 occurrence involving the lender
 - ▶ At least \$1M in respect of the aggregate of all occurrences during a 365 day period

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 the Province
- ▶ Provide any additional information required by the Registrar
- ▶ Pay a fee of \$600

Compliance Officer Qualifications and Responsibilities

Provide proof that the person designated as Compliance Officer (CO) meets the criteria of the Compliance Officer Regulations:

- ▶ At least 19 years old
- ▶ Resident of Canada
- ▶ Engaged with the activities of the Lender to the extent that they are capable of carrying out their duties and responsibilities
- ▶ Has one of the following relationships to the Lender:
 - ▶ If the Lender is a corporation, the CO is a director or officer
 - ▶ If the Lender is a partnership (not limited), the CO is a partner
 - ▶ If the Lender is a limited partnership, the CO is a general partner or a director or officer of a corporation that is a general partner
 - ▶ If the Lender is a sole proprietorship, the CO is the sole proprietor
- ▶ Criminal record check (as provided to Registrar):
 - ▶ Is conducted no earlier than 3 months before designation of CO and every 2 years while designated
 - ▶ Results disclose no evidence of conviction for fraud or theft
 - ▶ Results generally do not raise any issues concerning the appropriateness of the designation

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