

Questions and answers about FSCO's criteria for approving new mortgage agent education programs -- August, 2008

The course

Q1– May we include other topics in our course that are not part of the Mortgage Agent Qualifying Standards (MAQS), such as effective selling techniques and marketing strategies?

A – Providers may include topics in addition to the learning objectives in the MAQS, but only the MAQS are regulated by FSCO. Providers who choose to include additional content (such as sales or marketing, etc.) in their courses must keep the additional content separate from the MAQS, and not intersperse it with the MAQS which FSCO regulates.

Q2 – Our course will include other topics that are not part of the MAQS, such as marketing strategies. Should we include that other material in our request for FSCO's approval of our course?

A – No. It is not necessary to provide any course content other than the MAQS content to FSCO in an application for course approval.

Q3 – Does FSCO require an approved mortgage agent course to include a minimum number of hours of instruction?

A – No. FSCO surveyed potential course providers on this question and there was no agreement about what number of hours is appropriate. FSCO requires course providers to apply their education expertise to designing the course, determining the delivery method(s), and determining the appropriate amount of time required to cover 100% of the learning objectives in the Mortgage Agent Qualifying Standards (MAQS). Although FSCO has not imposed a minimum number of hours of instruction, FSCO will carefully scrutinize any proposal whose time estimates vary significantly from other proposals. As well, FSCO will monitor and audit courses to ensure they cover 100% of the learning objectives in the MAQS.

Q4 – Will FSCO impose educational prerequisites on people who apply to take an approved mortgage agent course?

A – No. FSCO does not require students to have a certain level of education before taking an approved mortgage agent course. FSCO's objective is to ensure that individuals who pass an approved agent course have acquired the required proficiencies without creating barriers to entry into the mortgage agent workforce.

Q5– If an organization (or more than one organization) develops a course and materials that FSCO approves for mortgage agent licensing purposes, who owns the course and materials?

A – The course and materials are owned by the organization(s) that created them, not by FSCO. Approved mortgage agent courses will be offered commercially and not on behalf of FSCO.

As the regulator, FSCO's role is to set the standards for mortgage agent courses and examinations. Individuals who successfully complete an approved course and examination will meet the education qualifications for a mortgage agent licence in Ontario.

FSCO's standards require each approved course to cover 100% of the Mortgage Agent Qualifying Standards and to meet all of the mortgage agent educational program approval criteria. Approved courses and examinations will be provided by commercial education providers, such as colleges and mortgage industry organizations, which will cover their costs through tuition and exam fees they charge to students. Approved course providers will provide a certificate of completion to the student as evidence that the student has successfully completed an approved course and exam for mortgage agent licensing purposes. Approved course providers will maintain reliable records, provide statistics and information requested by FSCO, and cooperate with audits conducted by FSCO.

Q6 – What does FSCO require course providers to do to accommodate persons with disabilities?

A – Course providers must take all reasonable steps to achieve accessibility for persons with disabilities. Course providers must comply with the *Ontarians with Disabilities Act, 2001*, the *Accessibility for Ontarians with Disabilities Act, 2005* and the *Human Rights Code*, as applicable.

The exam

Q7 – Must the passing grade be 60%, or may it vary from course to course?

A – The passing grade for every approved mortgage agent education course will be 60% and must not vary from course to course. This is intended to ensure that there is a consistent standard across the province and equality for all candidates.

Q8 – Why didn't FSCO set the passing grade higher than 60%?

A – The passing grade has been set at level appropriate to determine if an individual has acquired the proficiencies necessary to be licensed as a mortgage agent. This is a new standard for mortgage agents who were not previously regulated or required to meet any educational standard, and who will be working under the supervision of a licensed mortgage broker.

The mortgage agent course approval criteria will be closely monitored during implementation, and will be reviewed by FSCO every three years. Adjustments will be made as necessary.

Q9 – If a student fails the exam, will he or she be permitted to rewrite the exam without repeating the course?

A – The criteria have been amended to permit a student who fails the examination to take an examination one additional time without repeating the course. The second examination must contain a completely different set of questions from the first examination. If the student is not successful after the second attempt, the student must repeat the course before writing the examination again.

The draft criteria have been clarified to require exam providers to employ a database of exam questions that is large enough to create completely different sets of exam questions for different exam sittings.

The goal of the re-write policy is to ensure that suitable individuals are entering the industry and promote preparedness for the exam.

Q10 – May a student's final grade incorporate other measures such as mid-term exams or course assignments?

A – No. Course providers may use other measures in their courses, but the final exam grade alone will determine whether the passing grade of 60% has been met. Approved course providers and instructors will be experienced educators who are qualified to determine the best teaching methods and learning activities. In order to achieve a comparable qualifying standard for graduates of all approved courses, the final grade must be based on a comparable test – a comparable final exam.

Q11 – When applying to FSCO for approval of a mortgage agent course and examination, should we include all of the exam questions with our request?

A – No, it is not necessary to provide all of the exam questions with your request. Please provide a sample of four multiple choice exam questions and answers that address Learning Objectives identified in the Qualifying Standards as Bloom levels 4 and 5.

Q12 – Why isn't the mortgage *agent* exam a standard exam that is administered by the regulator, like the mortgage *broker* exam?

A – The different approaches respond to the different degrees of potential risk to consumers. The new Mortgage Agent Qualifying Standards are technical and appropriate for someone who is entering the profession and who is authorized to act only under the supervision of a licensed mortgage broker. Individuals must successfully complete a mortgage agent course and exam and work as an agent under the supervision of a broker for two years before they are permitted to take a mortgage broker course, then apply for a broker licence.

The new Mortgage Broker Qualifying Standards focus on supervising and overseeing the work of mortgage agents. The broker's supervisory and compliance roles carry a greater regulatory risk than the role of an agent and, therefore, a higher degree of accountability.

Auditing by FSCO will ensure that all final exams administered by commercial agent course providers are comparable in structure and degree of difficulty, and that those standards are maintained. The approval criteria set by FSCO will ensure that there is a consistent

standard across the province and an equal opportunity for all candidates to qualify for a mortgage agent licence.

French services

Q13 – FSCO has stated that it may approve more than one mortgage agent course and exam for licensing purposes and that these programs must be available in French. Does this mean that each course provider must offer its own program in English and in French?

A – No. Mortgage agent course providers are not required to provide their own course and exam in French directly, but they must make a French-language course and exam available to students who request those services in French. This can be accomplished by providing their own course and exam in French, or by referring students to an approved French-language provider. A list of all approved providers is posted on FSCO's website at <http://www.fSCO.gov.on.ca/english/regulate/mortgagebrokers/approvedMAprogs.asp>

Q14 – FSCO has stated that a mortgage agent educational program for licensing purposes must be available in French. Does this mean that a classroom program must be available in French everywhere in Ontario?

A – No. Experience indicates that the demand for mortgage agent education in French is likely to be low. Providers are invited to take creative approaches to ensuring that French students throughout the province have access to a program that has been approved by FSCO for licensing purposes. For example, several providers could partner to provide a French program by correspondence or online learning.

Advertising

Q15 – Once a mortgage agent education program has been approved by FSCO for licensing purposes, what may the provider say publicly about that approval?

A – Once a mortgage agent course and exam has been approved by FSCO for licensing mortgage agents, the provider may refer to the fact that its course and exam have been approved by FSCO for licensing purposes on its website and promotional materials.

FSCO maintains a list of approved mortgage agent courses on the FSCO website with links to course providers' websites. FSCO will not endorse or recommend any course over another. FSCO encourages individuals to research the different available course options to ensure that the course they select is appropriate for their needs.

Continuous Education

Q16 – Will FSCO set continuous education requirements for mortgage agents?

A – The question of whether and how to require continuous education for mortgage agents is under review.