

CHECKLIST: Working With a Mortgage Broker/Agent

If you plan to use the services of a mortgage brokerage, broker or agent, make sure they are licensed with the Financial Services Commission of Ontario (FSCO) - the government agency responsible for overseeing the mortgage brokering industry in Ontario. To check if an individual or business is licensed to deal or trade in mortgages in Ontario, visit our database.



MAKE SURE YOUR MORTGAGE BROKER/AGENT DOES THE FOLLOWING:

- Takes reasonable steps to ensure that any mortgage presented for your consideration is suitable for you – are they able to explain the features and risks of the mortgage and how the mortgage they are offering meets your needs, circumstances and risk tolerance?
- Indicate in writing whether written information that is disclosed to you is an estimate or is based on an assumption such as a fee (legal, appraisal, etc.)
- Disclose in writing the material risks of each mortgage the brokerage presents for your consideration.
- Disclose in writing for whom the mortgage brokerage is acting (i.e., information about whether/when the brokerage is acting for the borrower, the lender, or both, without preference to either the borrower or the lender).
- Disclose in writing any conflicts of interest that the mortgage brokerage, broker or agent may have in connection with the mortgage.
- Provide written disclosure of the cost of borrowing. You are entitled to this information at least two business days before you make a mortgage payment, or enter into the mortgage agreement.
- Disclose whether the mortgage brokerage, broker and/or agent will/may receive any fees, remuneration or incentives from other individuals or businesses in connection to the mortgage, and if so, from whom and how they are calculated.
- Disclose whether the mortgage brokerage has paid/provided, or will/may pay/provide any fees or remuneration to other individuals or businesses in connection with the mortgage, and if so, to whom and how they are calculated.
- Disclose whether any fees or other types of remuneration will be received by the mortgage brokerage for referring a borrower, lender or investor to another person or business, and a description of the relationship with the other person or business.
- Provide all written disclosures to you in plain language.

MORTGAGE BROKERAGES, BROKERS AND AGENTS CANNOT REQUIRE YOU TO:

- Sign the mortgage agreement, without first providing you at least two business days to review it, unless you choose to waive this time period in writing.
- Make an advance payment or deposit for any services to be provided or expenses to be incurred by the mortgage brokerage, or by any person or business if your mortgage is \$400,000 or less.
- Get a product or service as a condition for getting another product or service from the mortgage brokerage.

Note that the disclosure requirements in this checklist apply to the mortgage brokering industry regardless of who they approach to provide a mortgage to consumers. You may have different rights and responsibilities when getting a mortgage direct from financial institutions, such as banks.

This checklist outlines only some of the things that mortgage brokerages, brokers and agents are required to do. For more information on the requirements of mortgage brokerages, brokers and agents, visit FSCO's Compliance Checklist for Mortgage Brokerages, Brokers and Agents.



Financial Services
Commission
of Ontario