Financial Services
Commission
of Ontario

Ontario

2014 Annual Information Return
Mortgage Brokerages and Administrators
Results Summary Report

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Executive Summary

This report provides a summary of the responses that were collected from 1,148 mortgage brokerages (99 per cent) and 122 mortgage administrators (100 per cent) from the 2014 Annual Information Return (AIR). While compliance with the AIR filing requirement is very high, it should be noted that three per cent of mortgage brokerages did not submit the AIR by the March 31, 2015 due date.

The Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA) requires mortgage brokerages and administrators to file their AIR with FSCO on or before March 31st each year.

For the purpose of the 2014 AIR Report, FSCO focused its review and analysis on six specific areas of the mortgage brokering sector. For mortgage brokerages, the areas of focus were: errors and omissions (E&O) insurance, supervision of operations, portfolio and lending sources, mortgage investment corporations (MICs), syndicated mortgages, and remuneration. For mortgage administrators, the areas of focus included: E&O insurance and the supervision of operations.

In 2014, mortgage brokerages reported that they arranged $148 billion of mortgage business and mortgage administrators reported that they administered $101 billion in mortgages.

All mortgage brokerages and administrators are required by law to carry E&O insurance in a form approved by the Superintendent of Financial Services (Superintendent), with extended coverage for fraudulent acts. Based on the information that was reported, the areas of non-compliance included: conducting business with an expired E&O insurance policy, and/or holding E&O insurance policies that do not carry the minimum amounts of coverage that are required by law.

From 2013 to 2014, there was an increase in the number of offices that were located 100 kilometres or more from the principal broker's primary location of work. The results from FSCO's 2010–14 on-site examinations also identified a year-over-year decline in the supervision of mortgage brokers and agents. FSCO expects a mortgage brokerage's principal broker to take reasonable steps to ensure that all legal requirements are being met.

From 2013 to 2014, the number of MICs increased by 81 per cent. MICs funded 4,805 mortgages for a total of $2.3 billion. MICs are of particular interest to FSCO as they were the fastest growing lender segment from 2013 to 2014. As such, mortgage brokerages need to ensure the suitability of a mortgage product or investment, and the legal disclosure requirements are being followed.

FSCO views syndicated mortgages as a high-risk investment that is not suitable for all investors. The 23 mortgage brokerages that reported more than 90 per cent of syndicated mortgages as part of their overall mortgage portfolio are considered potentially high-risk entities. **Mortgage brokerages that syndicate mortgages must pay close attention to the supervision of those mortgage brokers and agents who deal in these types of mortgages.** Their policies and procedures should include provisions to govern syndicated mortgages in the following areas: disclosure, supporting documentation and time periods for providing information to borrowers and investors or lenders that are in accordance with the law.

Based on the data that was collected from mortgage administrators, FSCO has observed non-compliance with the law for trust accounts. Under the law, prior written consent of the Superintendent must be obtained before any trust account is opened.

About FSCO

FSCO is a regulatory agency established by the Financial Services Commission of Ontario Act, 1997 and accountable to the Minister of Finance. In Ontario, FSCO oversees insurance, pension plans, mortgage brokering, credit unions and caisses populaires, co-operative corporations, loan and trust companies and health service providers that invoice auto insurers for statutory accident benefits claims.

As an organization, FSCO is committed to being a progressive and fair regulator, working with stakeholders to support a strong financial services industry, and protecting the interests of financial services consumers and pension plan members.

FSCO applies a risk-based approach to regulation that directs resources to situations deemed to have a higher risk. The information gathered through the AIR helps FSCO to identify, assess and monitor risk in the mortgage brokering sector. FSCO's Regulatory Framework details its risk-based activities.

About the 2014 AIR

All mortgage brokerages and administrators that were licensed with FSCO as of December 31, 2014 were required to complete and submit the AIR on or before March 31, 2015. The purpose of the 2014 AIR was to:

- Collect information from mortgage brokerages and administrators about their business practices and internal controls for the 2014 calendar year (January to December 2014);
- Verify compliance with legal obligations for the mortgage brokering sector as a whole; and
- Obtain and combine data for the overall mortgage brokering sector in Ontario.

The 2014 AIR included new questions for both mortgage brokerages and administrators. Please refer to Appendix 3 for additional information on these new questions.

This report provides a summary of responses that were collected from **1,148 mortgage brokerages and 122 mortgage administrators** from the 2014 AIR. While compliance with the AIR filing requirement is very high, it should be noted that three per cent of mortgage brokerages did not submit the AIR by the March 31, 2015 due date.

The 2014 AIR provides both marketplace and entity specific data. FSCO uses this information in its ongoing process of monitoring, and performing compliance and enforcement activities that are designed to identify and manage consumer protection risks within the mortgage brokering sector. In general, FSCO uses the AIR data to:

- Obtain a better understanding of the mortgage brokering sector as a whole;

- Assess the risks that are associated with carrying out mortgage brokering business in Ontario to support FSCO's risk-based approach to regulation (see FSCO's Regulatory Framework for more information);
- Assess mortgage brokerages' and administrators' overall compliance with the MBLAA, as a group; and
- Support FSCO's planning process for its on-site examinations of mortgage brokerages and administrators. (FSCO's examinations assess the individual mortgage brokerage's or administrator's level of compliance with the MBLAA. For a summary of FSCO's findings from the 2010–14 examinations, please refer to the Report on FSCO's Compliance Reviews of Mortgage Brokerages.)

Regulatory/Enforcement Action

Overall, the compliance rate for filing the AIR improved each year for the past three years. In 2012, the compliance rate was 89 per cent, in 2013 it went up to 96 per cent, and in 2014 it rose to 97 per cent. In addition to the communications that remind all mortgage brokerages and administrators of their obligation to file the AIR each year, FSCO also developed complementary risk-based communications to achieve the above increase in compliance rates.

FSCO has undertaken enforcement action against mortgage brokerages and administrators that filed their AIR after March 31, 2015.

In addition, based on data that was provided in the 2014 AIR responses, and following a risk-based approach, FSCO took regulatory action in cases where there was non-compliance with the MBLAA.

Information regarding regulatory action FSCO took to correct situations of non-compliance is not provided, as it is outside the scope of this report.

Mortgage Brokerages: High Level Overview & Selected Topics

This report presents an overall summary of the data that was collected in the 2014 AIR from 1,148 mortgage brokerages (or 99 per cent of all mortgage brokerages in Ontario). Although the 2014 AIR asked a number of questions on many different topics, this report only focuses on the following topics:

- E&O insurance;
- supervision of operations;
- portfolio and lending sources;
- MICs;
- syndicated mortgages; and
- remuneration.

These topics are important, as they are based on specific legal requirements and/or they are a potential high-risk for this sector.

For additional data on mortgage brokerages, please refer to Appendix 1: Mortgage Brokerages Data.

Other Helpful Information

FSCO conducts monitoring and enforcement activities on a continuous basis to identify and monitor existing and emerging trends and risks in the mortgage brokering sector. FSCO communicates its expectations regarding compliance with the MBLAA and the consequences that arise as a result of non-compliance on an on-going basis. This information is provided through email blasts, bulletins, the Mortgage Broker e-Info Newsletter, compliance checklists, reports and the mortgage brokering portal on FSCO's website. For more information on the mortgage brokering sector's compliance with the MBLAA, refer to the Report on FSCO's Compliance Reviews of Mortgage Brokerages that is based on FSCO's on-site examinations from 2010–14.

About the Mortgage Brokering Sector

The mortgage brokering sector in Ontario is competitive. Over the past three years, FSCO noticed the following trends:

- There was a 14 per cent decrease in the number of licensed mortgage brokerages that engaged in other types of business that were not related to mortgage brokering (e.g., real estate).
- There was a 24 per cent increase in the number of mortgage brokerages that reported mortgage brokering as their primary activity, but these brokerages did not close any mortgage deals in 2014.
- The number of mortgage brokerages in Ontario has remained relatively stable. There was only a marginal increase in the number of mortgage brokerages that were licensed with FSCO and that filed the AIR. In 2013, there was a one per cent year-over-year increase, and in 2014 there was a two per cent year-over-year increase. This is also consistent with the small increase in the number of mortgage brokerages that were active in the mortgage brokering sector during the calendar year (i.e., mortgage brokerages that reported they were dealing, trading or lending in mortgages as their primary activity).

Figure 1: Mortgage Brokerages by Type of Mortgage Brokering Activity

Year	Total Number of Mortgage Brokerages	Mortgage Brokerages that Identified Dealing, Trading, Or Lending Mortgages As Their Primary Activity		Mortgage Brokerages that did NOT identify Mortgage Brokering as Their Primary Activity
		Closed Deals	Closed No Deals	
2012	1,113	859 (+5% from previous year)	15	239 (-6% from previous year)
2013	1,127	845 (-2% from previous year)	100	182 (-24% from previous year)
2014	1,148	868 (+3% from previous year)	124	156 (-14% from previous year)

E&O Insurance

Under the MBLAA, each mortgage brokerage that is licensed with FSCO must have E&O insurance coverage in a form of insurance provided by an insurer that is approved by FSCO. E&O insurance should cover at least $500,000 per occurrence, and $1,000,000 for all occurrences in a year.

In addition to being a legal requirement, E&O insurance is important to mortgage brokerages, brokers, and agents because it covers them for acts arising from the business of dealing, trading or lending in mortgages (e.g., negligence, misrepresentation, fraud, etc.).

The E&O insurance providers market is competitive and ensures E&O insurance is available to mortgage brokerages in Ontario. In 2014, the policies of 14 E&O insurance providers were approved by the Superintendent. Of these 14 insurers, the top six insurance companies provided coverage for 86 per cent of all E&O insurance policies that were held by mortgage brokerages. This represents a decrease from 2013, when the top six insurance companies provided coverage for 96 per cent of all E&O insurance policies. Although this trend has remained stable over the last few years, the list of approved E&O insurance providers has changed from year to year. In addition, there are some differences in the composition and market share of the top six E&O insurance providers.

An analysis of the data from the 2014 AIR revealed the following:

- A total of 603 mortgage brokerages (or 52 per cent) reported that they had the required minimum E&O insurance coverage (i.e., $500,000 per occurrence), while 541 mortgage brokerages (or 47 per cent) stated that their E&O insurance coverage per occurrence was higher than the legal minimum amount.
- Over 60 per cent of mortgage brokerages reported that they had $1,000,000 of E&O insurance coverage for all occurrences in a year, while the reminder stated that their insurance coverage was higher than the legal minimum amount.
- 100 mortgage brokerages (or nine per cent) provided FSCO the name of their insurance broker, rather than the name of the insurance company that is providing their E&O insurance coverage.

Overall, there is a high level of compliance with the E&O insurance requirements. This finding is consistent with the results that FSCO observed in its examinations of mortgage brokerages between 2010 and 2014.

FSCO observed the following non-compliance related to the E&O insurance requirements. FSCO does, and will continue to take enforcement action for non-compliance.

- Ten mortgage brokerages reported an expired E&O insurance policy.
- Four mortgage brokerages reported that they had an E&O insurance policy that provided less than $500,000 in coverage for each occurrence and less than $1,000,000 in coverage for all occurrences in a year.

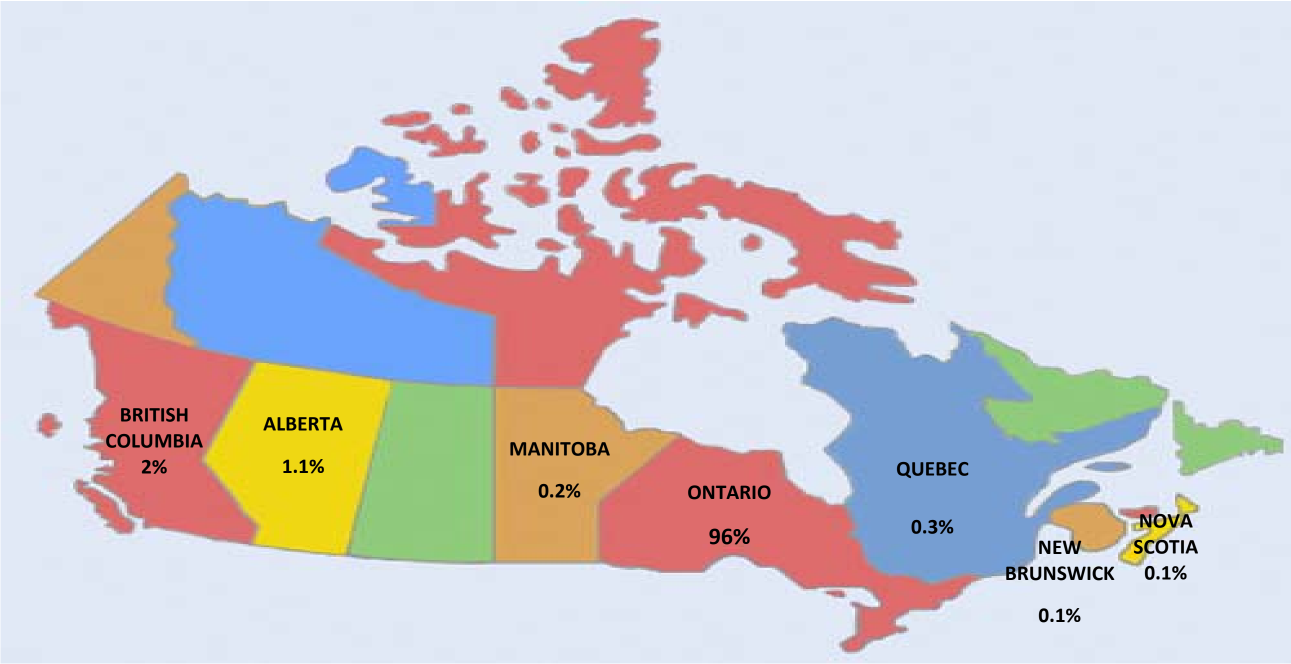
Supervision of Operations

Mortgage brokerages are required to organize their operations in a manner that facilitates the supervision of their brokers and agents, as well as examinations by FSCO.

Similar to previous years, in 2014 the vast majority of mortgage brokerages (or 96 per cent) operating in Ontario reported that their head office was located in the province. Only 44 mortgage brokerages (or four per cent) reported that their head office was located outside Ontario. Among these brokerages, 23 (or two per cent) had head offices in British Columbia, and 13 (or a little over one per cent) had head offices in Alberta. (For more details, refer to Figure 2.)

For mortgage brokerages that reported their head office was located in Ontario, 46 per cent had a head office located in the metropolitan Toronto area, and 37 per cent had a head office located in central Ontario.

Figure 2: Mortgage Brokerages' Head Office Locations by Province



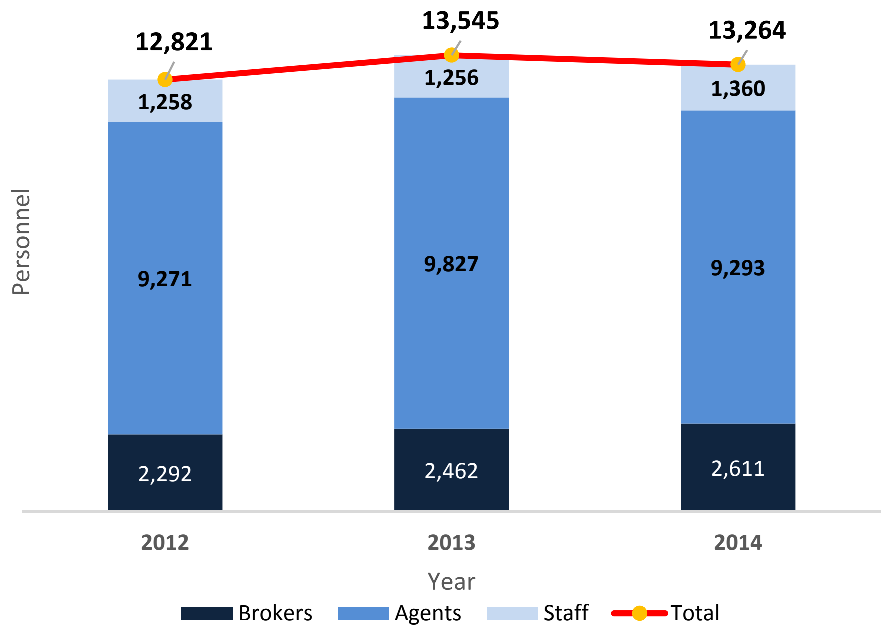
From 2013 to 2014, there was a small increase (two per cent) in the number of offices that were reported by mortgage brokerages in Ontario. (In 2013, there were 1,820 offices in Ontario, and in 2014 there were 1,865 offices in the province.) Similar to previous years, the majority of these offices were open to the public. In 2013 and 2014, approximately 10 per cent of these offices were not open to the public. (88 per cent of mortgage brokerages' offices were open to the public in 2013, and 89 per cent were open to the public in 2014.)

From 2013 to 2014, there was a notable increase (16 per cent) in the number of offices that were located more than 100 kilometres away from the principal broker's primary location of work (e.g., in 2013 there were 187 offices, and in 2014 there were 216 offices). Offices that are located more than 100 kilometres from the principal broker's primary location of work are potentially a source of supervisory risk.

The results of FSCO's 2010–14 mortgage brokerage examinations also identified a year-over-year decline in the adequate supervision of mortgage brokers and agents with respect to proper consumer disclosure and due diligence around product suitability.

FSCO expects mortgage brokerages to actively supervise their mortgage brokers and agents to ensure they are compliant with all legal requirements. For more information on compliance, please refer to FSCO's compliance checklists for the mortgage brokering industry.

Figure 3: Total Number of Mortgage Brokers, Agents and Staff from 2012 to 2014



	2012	2013	2014
Total # mortgage brokerages	1,113	1,127	1,148
Average # of brokers per mortgage brokerage	2.1	2.2	2.3
Average # agents per mortgage brokerage	8.3	8.7	8.1
Average # other staff per mortgage brokerage	1.1	1.1	1.2

In 2013, there was a year-over-year decrease in the number of offices reported by mortgage brokerages, but an increase in the total number of staff. In 2014 we noticed the reverse: overall, the total number of staff decreased by two per cent for mortgage brokerages, while the number of offices increased by two per cent. In 2014, this decrease in staff was primarily caused by a five per cent reduction in the number of mortgage agents. However, this was almost entirely compensated by an increase in the number of mortgage brokers (six per cent) and other staff (eight per cent).

During the reporting period, mortgage brokerages reported that 2,940 mortgage brokers or agents left or resigned from their positions. This represents a 25 per cent turnover rate for the mortgage brokering sector as a whole. In 2014, this turnover rate was two per cent higher than in 2013. Even though this figure identifies brokers and agents that left their jobs, it does not necessarily mean that all of these individuals have left the mortgage brokering industry. In many cases, these individuals were employed by other mortgage brokerages. Of the mortgage brokerages that reported terminations, only 25 mortgage brokerages reported they had terminated a broker or agent for cause.

The 2014 AIRs revealed the following areas of risk related to the supervision of operations:

- There was a notable increase in the number of offices that were located more than 100 kilometres away from the principal broker's primary location of work.
- Over the last three years, about 15 per cent of mortgage brokerages did not have an on-site supervisor or manager. Other forms of supervision used for mortgage brokers or agents included file reviews, monthly or quarterly meetings, and training and support done by phone, email or fax.
- One mortgage brokerage neglected to report to FSCO (through Licensing Link) the name of the mortgage broker or agent who was terminated for cause.
- About eight per cent of mortgage brokerages did not review their policies and procedures over the past three years to determine whether they are reasonably designed to ensure compliance with the law.

Portfolio and Lending Sources

FSCO collects marketplace statistics about mortgage brokerages' portfolio information and their sources of funding to determine the number, dollar value and types of mortgages in Ontario's mortgage brokering sector. FSCO reviews a summary of the data to identify potential areas of emerging risk.

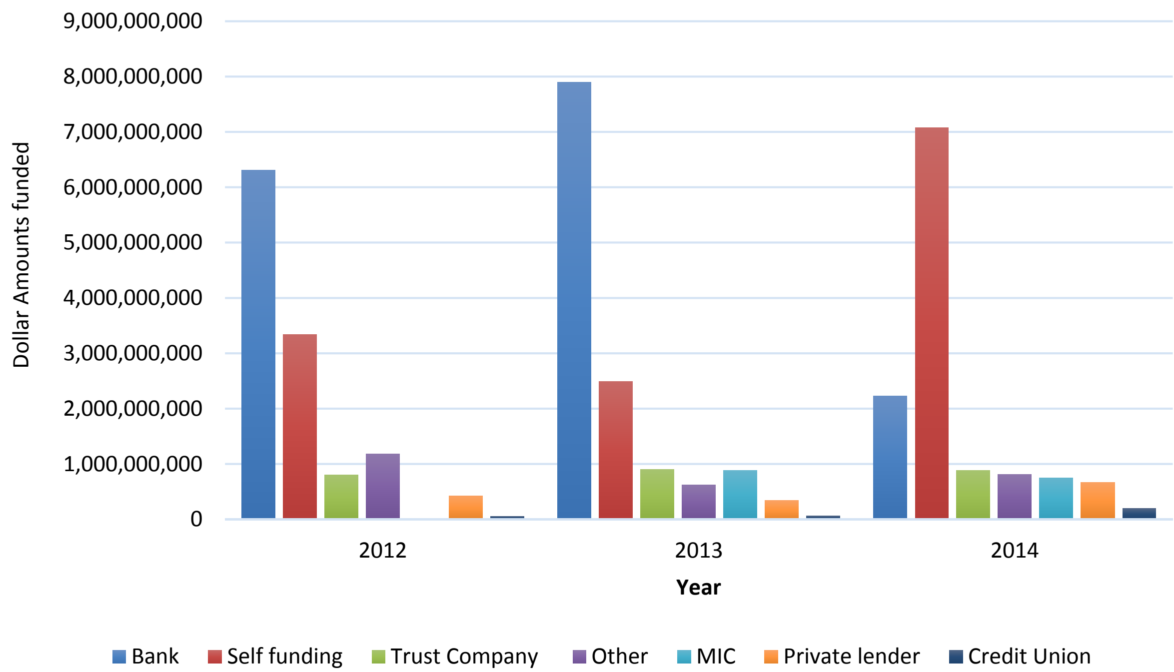
Based on an analysis of the data that was collected in the 2014 AIR, FSCO noticed the following:

- From 2013 to 2014, the number of mortgages that were reported by mortgage brokerages increased by 13 per cent. However, during this period of time the total dollar value of mortgages decreased by one per cent.
- In 2014, the top two general sources of funding were banks and self-funders. These two types of lenders provided over $78 billion to fund 197,285 mortgages.
- For those mortgage brokerages that funded more than 50 per cent of their business with one lender, their main sources of funding were banks and the brokerages themselves.
- From 2013 to 2014, the number of MICs grew by 50 per cent.

Figure 4: Mortgage Brokerages that Financed More than 50% of their Mortgages with One Lender

	2012		2013		2014	
Total number of mortgage brokerages	1,114		1,127		1,148	
Responses	#	%	#	%	#	%
Number and percentage of mortgage brokerages that financed more than 50% of their mortgage deals with one vendor	253	23%	252	22%	249	22%

Figure 5: Dollar Amounts Financed by Lender Type (for Mortgage Brokerages that Financed More than 50% of their Mortgages with One Lender)



MICs

In 2014, there was a significant increase in the number of new MICs that extended mortgage financing: there were 84 new MICs in Ontario, which is an 81 per cent increase year-over-year.

Figure 6: Number, Volume and Average Size of MIC Funded Mortgages

Year	# of MICs	# of Mortgages Funded	Total $ Value of Mortgages Funded	Average Size of Mortgage Funded
2013	104	2,523	$2.1 Billion	$848,000
2014	188	4,805	$2.3 Billion	$474,000

In 2014, four per cent of mortgage brokerages reported that their principal broker and/or officer or director had an equity interest in a MIC (compared to three per cent in 2013). Mortgage brokerages also reported that no one with an equity stake in a MIC performed any management role within that MIC.

Syndicated Mortgages

During the reporting period, syndicated mortgages represented only three per cent of the total dollar value of mortgages that were reported by the mortgage brokering sector. However, FSCO has observed that syndicated mortgages are **an increasingly high-risk area** for the sector. This is of particular importance due to the deficiencies in the areas of mortgage broker or agent supervision, disclosure and documentation requirements that were recently identified by FSCO during its on-site examinations.

Between 2012 and 2014, only 106 mortgage brokerages (or nine per cent) reported syndicated mortgages during at least one of these years. In 2014, six mortgage brokerages were responsible for 80 per cent of the total dollar value of syndicated mortgages that were reported for the entire mortgage brokering sector.

Twenty-three mortgage brokerages (or 22 per cent of the mortgage brokerages that reported syndicated mortgages) appeared to focus their business models on syndicated mortgages, as these types of mortgages represent a significant portion of their retail and/or commercial mortgage portfolios (90 per cent or more).

FSCO considers syndicated mortgages to be a high-risk investment that may not be suitable for all investors. Mortgage brokerages that are engaged in this activity are encouraged to review FSCO Bulletin No. M-01/15: Requirements for Promoting Syndicated Mortgage Investments to ensure they are able to demonstrate they have met their suitability and disclosure obligations to investors.

Remuneration

The 2014 AIR collected information on payments and/or incentives, other than money, that mortgage brokerages received from lenders or paid to mortgage brokers and/or agents that were registered with another mortgage brokerage.

Based on an analysis of the data that was collected in the 2014 AIR, FSCO observed the following:

- Twenty-six per cent of mortgage brokerages accepted non-monetary remuneration from lenders. Reward points, trips, gifts and event tickets were the most common forms of non-monetary remuneration.
- Twenty-three per cent of mortgage brokerages had a contingency commission or payment arrangement with lenders.
- Three per cent of mortgage brokerages offered credit cards or gift cards as remuneration for referrals.

For non-monetary incentives to be permitted, mortgage brokers and agents must be in compliance with subsection 5(2) of Ontario Regulation 187/08 and mortgage brokerages must be in compliance with subsection 45(1) of Ontario Regulation 188/08, and other applicable requirements.

Mortgage Administrators: Selected Topics

This report presents an overall summary of the data that was collected in the 2014 AIR from 122 mortgage administrators (or 100 per cent of all mortgage administrators in Ontario). Although the 2014 AIR asked a number of questions on many different topics, this report only focuses on two topics:

- E&O insurance; and
- supervision of operations.

These topics are important, as they are based on specific legal requirements and/or they are a potential high-risk for this sector.

For additional data on mortgage administrators, please refer to Appendix 2: Mortgage Administrators Data.

E&O Insurance and Financial Guarantee

Mortgage administrators are required by law to maintain E&O insurance coverage from an insurance company that is approved by FSCO. This E&O insurance must cover any claims that may arise from the business of administering mortgages (e.g., negligence, fraud, etc.). Mortgage administrators must also maintain a $25,000 financial guarantee.

In 2014, only two E&O insurance claims were made against mortgage administrators. No other complaints, charges and licence suspensions were made against a mortgage administrator, and no unpaid fines were outstanding.

In 2014, a total of 12 mortgage administrators (or 10 per cent) provided FSCO the name of their insurance broker, rather than the name of the insurance company that was providing their E&O insurance coverage.

Based on the responses in the 2014 AIR, FSCO observed the following non-compliance related to the $25,000 financial guarantee requirement:

- One mortgage administrator did not maintain the $25,000 financial guarantee that is required by law.

Supervision of Operations

Mortgage administrators are required to organize their operations in a manner that facilitates the supervision of their staff, as well as examinations by FSCO.

An analysis of mortgage administrators' responses in the 2014 AIR revealed the following:

- A total of 108 mortgage administrators (or 89 per cent) had head offices in Ontario. The remainder had head offices in British Columbia, Alberta, Manitoba and Quebec.
- Ninety-eight mortgage administrators (or 81 per cent) had an office in Toronto. Other top locations were Ottawa, Kitchener-Waterloo, Hamilton, London and Barrie.
- Five mortgage administrators (or four per cent) had an office that was 100 kilometres or more away from the administrator's head office.

The 2014 AIRs revealed the following areas of non-compliance related to the supervision of operations:

- Eleven mortgage administrators (or nine per cent) opened a trust account without obtaining the approval of the Superintendent in advance. (Under the MBLAA, mortgage administrators must obtain the Superintendent's approval before any trust accounts are opened.)
- Three mortgage administrators did not retain their records pursuant to the law. (By law, mortgage administrators must retain all records related to mortgage administration agreements at their principal place of business in Ontario, or if the records are kept elsewhere, the Superintendent has to be notified.)

Appendix 1: Mortgage Brokerages Data

Figure 7: Additional Mortgage Brokerage Data from the 2014 AIR

Response Topics	2012		2013		2014		
	# [1]	% [2]	#	%	#	%	Market Share $
Total mortgage brokerages	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**	**100%**
Mortgage Brokerage Information							
The mortgage brokerage reported a franchise	291	26%	303	27%	329	29%	**23%**
The mortgage brokerage also had a mortgage administrator (dual) licence	62	6%	70	6%	77	7%	**44%**
The mortgage brokerage or its related persons/entities are members of Mutual Fund Dealers Association (MFDA)	New question in 2014				7	1%	**1%**
The mortgage brokerage or its related persons/entities are registered as an insurance brokerage under insurance legislation in any Canadian jurisdiction	New question in 2014				14	1%	**2%**
The mortgage brokerage or its related persons/entities are registered as a dealer or adviser under securities regulation in any Canadian jurisdiction	New question in 2014				22	2%	**3%**
The mortgage brokerage or its related persons/entities are registered as a real estate brokerage under the Real Estate Business Brokerage Act	New question in 2014				166	14%	**4%**
Trust Account Information (for additional information see Figures 8 to 10)							
The mortgage brokerage has a trust account(s) under the MBLAA	107	10%	104	9%	99	9%	**46%**
The mortgage brokerage obtained prior written consent from the Superintendent to open a trust account pursuant to O. Reg. 188/08, s. 50 (2)	3	3%	1	1%	10	10%	**25%**
The mortgage brokerage reconciled all of its MBLAA trust accounts	105	98%	102	98%	97	98%	**47%**
The mortgage brokerage reported to the Superintendent a shortfall in any of its MBLAA trust accounts	2	2%	1	1%	2	2%	**1%**

[1] Total number of mortgage brokerages that answered “yes” to each question.

[2] Percentage of mortgage brokerages that filed the 2014 AIR.

Supervision of Operations							
The mortgage brokerage reviewed its policies and procedures	1,034	93%	1,032	92%	1,055	92%	**99%**
Records Information							
The mortgage brokerage retains records at its principal place of business in Ontario	1,057	95%	1,064	94%	1,077	94%	**78%**
If records were stored somewhere else, the mortgage brokerage notified the Superintendent	51	91%	50	79%	53	75%	**22%**
The mortgage brokerage took adequate precautions to ensure the security of its records	1,107	99%	1,122	100%	1,143	100%	**100%**
Securitization							
The mortgage brokerage arranged or participated in arranging securitization facilities	7	1%	8	1%	8	1%	**23%**[3]
The mortgage brokerage made securitization sales	5	0%	5	0%	5	0%	**16%**[3]
Complaints and Complaints Handling (for additional information see Figures 13 to 18)							
The person designated to receive complaints at the mortgage brokerage is the principal broker	1,006	90%	1,033	92%	1,051	92%	**54%**
Licence Suitability							
The mortgage brokerage reported complaint(s) made against the mortgage brokerage to a regulatory body in any Canadian jurisdiction that was based, in whole or in part, on allegations of fraud, theft, deceit, misrepresentation, forgery, or similar conduct	13	1%	16	1%	10	1%	1%
The mortgage brokerage was fined or there were monetary penalties imposed by a Canadian financial services regulator excluding FSCO	4	0%	2	0%	2	0%	0%
The mortgage brokerage had unpaid fines/monetary penalties owing to a Canadian financial services regulator, other than FSCO	1	0%	0	0%	0	0%	0%
The mortgage brokerage was fined or there were monetary penalties imposed by a Provincial/Federal court	3	0%	0	0%	1	0%	0%
The mortgage brokerage was subject to charges laid under the laws of a Canadian province/ territory	3	0%	1	0%	0	0%	0%
The mortgage brokerage held licences from other regulatory bodies/professional organizations that were revoked or suspended	3	0%	0	0%	1	0%	0%

[3] Market share of mortgage instruments that were securitized.

Mortgage Brokerage Information

Figure 8: E&O Insurance Providers for Mortgage Brokerages

Responses	2012		2013		2014	
	#	%	#	%	#	%
Provider A	64	6%	153	13%	408	36%
Provider B	199	18%	181	16%	157	14%
Provider C	166	15%	144	13%	124	11%
Provider D	5	0%	99	9%	120	11%
Provider E	442	40%	381	34%	87	8%
Provider F	168	15%	109	10%	79	7%
Other insurance providers	69	6%	60	5%	173	15%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**

Figure 9: Types of MBLAA Business Activities

Responses	2012		2013		2014	
	#	%	#	%	#	%
Dealing in mortgages only	758	68%	813	72%	855	74%
Trading in mortgages only	1	0%	0	0%	1	0%
Mortgage lending only	10	1%	14	1%	17	1%
Dealing/trading in mortgages	12	1%	19	2%	17	1%
Dealing/lending in mortgages	59	5%	75	7%	79	7%
Trading/lending in mortgages	3	0%	3	0%	3	0%
Dealing/trading/lending in mortgages	31	3%	21	2%	20	2%
None of the above	239	22%	182	16%	156	14%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**

Figure 10: Other Lines of Business for Mortgage Brokerages

Responses	2012		2013		2014	
	#	%	#	%	#	%
Real estate	111	46%	100	55%	82	53%
Advisory services/consulting	19	8%	14	8%	11	7%
Mortgage referrals	14	6%	11	6%	9	6%
Dealing/trading	10	4%	0	0%	0	0%
Mortgage lending/investing	9	4%	0	0%	0	0%
Legal services	6	3%	6	3%	3	2%
Administering mortgages	3	1%	0	0%	0	0%
Construction	2	1%	1	1%	1	1%
Accounting	0	0%	0	0%	0	0%
Other	65	27%	50	27%	50	32%
Total	**239**	**100%**	**182**	**100%**	**156**	**100%**

Trust Account Information

Figure 11: Number of MBLAA Trust Accounts per Mortgage Brokerage

Responses by # of Trust Accounts	2012			2013			2014		
	#		%	#		%	#		%
1 account		92	65%		90	67%		87	66%
2 accounts		6	8%		7	10%		5	8%
3 accounts		4	8%		3	7%		3	7%
4 accounts	51 accounts	2	6%	44 accounts	1	3%	43 accounts	1	3%
5 accounts		0	0%		2	8%		1	4%
6 accounts		2	8%		0	0%		1	5%
7 accounts		1	5%		1	5%		0	0%
9 accounts		0	0%		0	0%		1	7%
Total		**143**	**100%**		**134**	**100%**		**130**	**100%**

Figure 12: New Trust Account(s) Opened by Mortgage Brokerages

Responses By # of Trust Accounts	2012			2013			2014		
	#		%	#		%	#		%
1 account		16	64%		18	100%		15	88%
2 accounts		0	0%		0	0%		1	12%
3 accounts		1	12%		0	0%		0	0%
4 accounts	9 accounts	0	0%		0	0%	2 accounts	0	0%
6 accounts		1	24%		0	0%		0	0%
7 accounts		0	0%		0	0%		0	0%
Total		**25**	**100%**		**18**	**100%**		**17**	**100%**

Supervision of Operations

Figure 13: Location of Mortgage Brokerages' Head Offices by Province

Responses	2012		2013		2014	
	#	%	#	%	#	%
Alberta	8	1%	10	1%	13	1%
British Columbia	17	2%	19	2%	23	2%
Manitoba	2	0%	1	0%	2	0%
Nova Scotia	1	0%	1	0%	1	0%
Ontario	1,081	97%	1,092	97%	1,104	97%
Prince Edward Island	0	0%	0	0%	0	0%
Quebec	4	0%	4	0%	4	0%
New Brunswick	0	0%	0	0%	1	0%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**

Figure 14: Location of Mortgage Brokerages' Head Offices by Ontario Region

Head Office Location in Ontario	2014	
	#	%
Metropolitan Toronto	503	46%
Central Ontario	409	37%
Eastern Ontario	70	6%
Southwestern Ontario	96	9%
Northern Ontario	26	2%
Total	**1,104**	**100%**

Figure 15: Number of Offices in Each Ontario Region

Responses By Region	2012		2013		2014	
	#	%	#	%	#	%
Metropolitan Toronto	1,363	74%	1,360	75%	711	38%
Central Ontario					679	36%
Eastern Ontario	203	11%	192	11%	205	11%
Northern Ontario	59	3%	61	3%	61	3%
Southwestern Ontario	222	12%	207	11%	209	11%
Total Offices	**1,847**	**100%**	**1,820**	**100%**	**1,865**	**100%**

Figure 16: Number of Offices Open to the Public in Ontario and Number of Offices Located More Than 100 km Away from the Principal Broker's Primary Location

Year of Response	Offices Open to the Public in Ontario		Offices Located More Than 100 km from the Principal Broker's Primary Location	
	#	%	#	%
2012	1,595	86%	182	10%
2013	1,611	88%	187	10%
2014	1,652	89%	216	12%

Figure 17: Steps Taken by Mortgage Brokerages to Provide Adequate Supervision for All Offices in Ontario

Responses	2012		2013		2014	
	#	%	#	%	#	%
1. On-site supervisor/manager	945	85%	971	86%	988	86%
2. Policies and procedures/best practices	878	79%	913	81%	976	85%
3. File review/file audits	857	77%	816	72%	932	81%
4. Regular meetings (monthly, quarterly etc.)	783	70%	939	83%	849	74%
5. Training/support (phone/email/fax/online)	776	70%	819	73%	843	73%
6. Other	123	11%	121	11%	107	9%

Note: Mortgage brokerages provided more than one response to this question. Multiple use of supervisory activities were used by individual brokerages.

Figure 18: Number of Brokers/Agents Terminated for Cause & Reported to FSCO

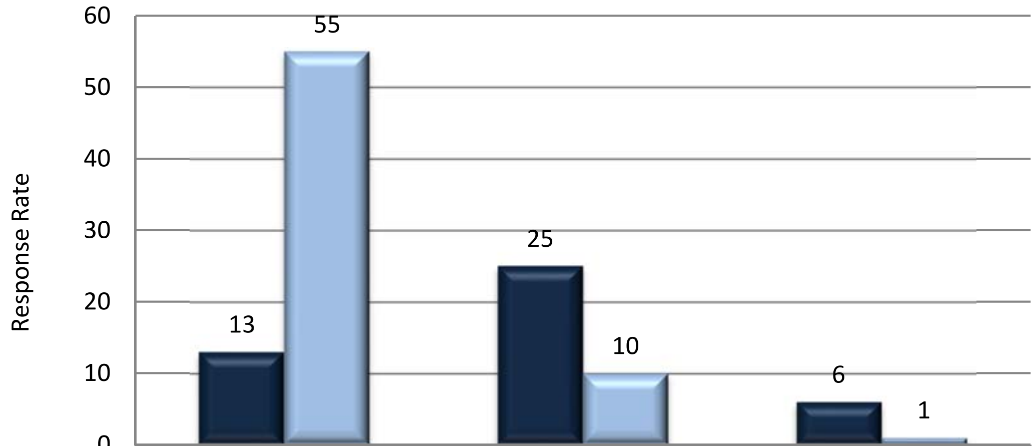
	2012			2013			2014		
	Reported Suitability (10d)	Terminated for Cause (10b)	Reported using Licensing Link (10c)	Reported Suitability (10d)	Terminated for Cause (10b)	Reported using Licensing Link (10c)	Reported Suitability (10d)	Terminated for Cause (10b)	Reported using Licensing Link (10c)
Yes	18	19	18	18	22	20	24	25	24
No	3	1,094	1	1	1,105	2	1	1,123	2
Total	**21**	**1,113**	**19**	**19**	**1,127**	**22**	**25**	**1,148**	**26**

Records Information

Figure 19: Format for Records Storage

Responses	2012		2013		2014	
	#	%	#	%	#	%
Electronic/paper	533	48%	532	47%	602	52%
Paper	374	34%	336	30%	287	25%
Electronic	206	18%	259	23%	259	23%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**

Figure 20: Retrieval Time to Access Records



	Within 24 hours	1-3 days	Over 3 days
Paper	13	25	6
Electronic	55	10	1

Total Number of Brokerages: 63

Portfolio Details

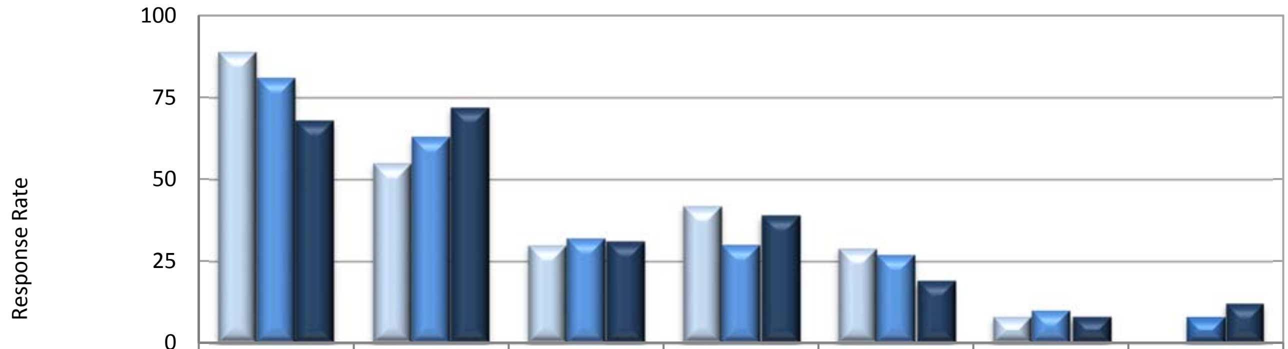
Figure 21: Source of Business Funding

Mortgage Type	2012			2013			2014		
	# of Brokerages	% of Total # Mortgages	% of Total $ Mortgages	# of Brokerages	% of Total # Mortgages	% of Total $ Mortgages	# of Brokerages	% of Total # Mortgages	% of Total $ Mortgages
Bank	654	50%	56%	630	51%	54%	668	58%	46%
Trust Company	560	28%	33%	553	32%	34%	569	50%	11%
Private Lender	537	30%	27%	523	34%	28%	544	47%	10%
Credit Union/ Caisses Populaires	315	11%	13%	315	12%	13%	344	30%	15%
MIC	-	-	-	104	19%	18%	188	16%	3%
Self-Funding	110	39%	41%	76	39%	38%	101	9%	21%
Other	243	41%	44%	219	38%	39%	241	21%	19%

Figure 22: Mortgage Brokerages that Funded More Than 50% of Their Business (Based on Dollar Value) With any One Lender

	2010	2012	2013	2014
Yes	278	253	252	249
No	883	860	875	899

Figure 23: Types of Lenders Used by Mortgage Brokerages to Fund More than 50% of Their Business with any One Lender



	Bank	Trust Company	Private lender	Other	Self funding	Credit Union	MIC
2012	89	55	30	42	29	8	0
2013	81	63	32	30	27	10	8
2014	68	72	31	39	19	8	12

Complaints and Complaint Handling

Figure 24: Total Number of Written Complaints Received, Responded to and Resolved by the Mortgage Brokerage

Reporting Period	# Brokerages	Total Number of Complaints			
		Received	*Responded To*	*Resolved*	*Unresolved*
2012	90	193	193	171	22
2013	89	205	204	184	21
2014	79	173	168	152	21

Figure 25: Reasons for the Complaints the Mortgage Brokerages Received

Complaint Category	2012		2013		2014	
	#	%	#	%	#	%
Administration	103	57%	120	59%	90	52%
Disclosure	35	19%	44	21%	41	24%
Marketing & sales	33	18%	30	15%	30	17%
Fraud	10	6%	10	5%	12	7%
TOTAL	**181**	**100%**	**204**	**100%**	**173**	**100%**

Reporting Changes

Figure 26: Number of New or Existing Offices Opened or Closed to the Public

Responses	2012		2013		2014	
	# Mortgage Brokerages	# Offices	# Mortgage Brokerages	# Offices	# Mortgage Brokerages	# Offices
# New offices opened	99	167	85	169	91	143
# Offices open to the public	89	151	79	150	81	125
# Offices closed	52	174	61	111	56	81

Figure 27: Number of New or Existing Offices Closed

Responses	2012		2013		2014	
	# Mortgage Brokerages	# Offices	# Mortgage Brokerages	# Offices	# Mortgage Brokerages	# Offices
# New offices closed	52	174	61	111	56	81
# Offices closed to public	47	167	48	93	54	78

Figure 28: Information Changed and Reported to FSCO by Email

Responses By Type of Information	Changed?		Reported?		Non-Compliant	
	#	%	#	%	#	%
Address for Service	81	7%	76	7%	5	0.4%
Address of Principal Place of Business	99	9%	91	8%	8	0.7%
E-mail, phone, fax	55	5%	46	4%	9	0.8%
E&O insurance	78	7%	60	5%	18	1.6%
Officers or Directors	49	4%	43	4%	6	0.5%
Partners in Partnership	10	1%	8	1%	2	0.2%

Remunerations

Figure 29: Mortgage Brokerages that Accepted Non-Monetary Incentives from Lenders and Types of Incentives

Responses By Remuneration Type	2012		2013		2014	
	#	%	#	%	#	%
Points	278	25%	268	24%	263	23%
Event tickets	56	5%	75	7%	89	8%
Gifts	46	4%	61	5%	66	6%
Trips	54	5%	47	4%	48	4%
Other	14	1%	9	1%	3	0%
Memberships	3	0%	4	0%	3	0%

Figure 30: Mortgage Brokerages that Offer Credit Cards or Gift Cards as Incentives from Lenders

Responses	2012	2013		2014		
		#	%	#	%	*Market Share $ Mortgages*
Yes	New Question in 2013	40	4%	51	4%	9%
No		1,087	96%	1,097	96%	91%
TOTAL		**1,127**	**100%**	**1,148**	**100%**	**100%**

Figure 31: Mortgage Brokerages that Have Contingency Commissions or Payment Arrangements with Lenders

Responses	2012		2013		2014		
	#	%	#	%	#	%	*Market Share $ Mortgages*
Yes	486	44%	489	43%	472	41%	45%
No	627	56%	638	57%	676	59%	55%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**	**100%**

Figure 32: Mortgage Brokerages that have Tri-Party Compensation Agreements for Payments of Incentives Other than Money, Between the Brokerage, its Brokers/Agents, and Other Mortgage Brokerages

Responses	2012		2013		2014		
	#	%	#	%	#	%	*Market Share $ Mortgages*
Yes	52	5%	39	3%	13	1%	4%
No	1,061	95%	1088	97%	1,135	99%	96%
Total	**1,113**	**100%**	**1,127**	**100%**	**1,148**	**100%**	**100%**

Appendix 2: Mortgage Administrators Data

Figure 33: Additional Mortgage Administrator Data from the 2014 AIR

Response Topics	2012		2013		2014		
	#[4]	%[5]	#	%	#	%	Market Share $
Total mortgage administrators	**101**	**100%**	**109**	**100%**	**122**	**100%**	**100%**
Mortgage Administrator Information (for additional information see Figure 34)							
The mortgage administrator filed financial information pursuant to O. Reg. 193/08 s. 3	New Question in 2013		69	63%	78	64%	**92%**
Trust Account Information (for additional information see Figures 35 and 36)							
The mortgage administrator had a trust account(s) under the MBLAA	85	84%	96	88%	107	88%	**100%**
The mortgage administrator obtained prior written consent from the Superintendent to open a trust account	3	4%	4	4%	6	5%	**73%**
The mortgage administrator reconciled all of its MBLAA trust accounts	85	100%	96	100%	104	97%	**100%**
The mortgage administrator reported a shortfall, at any time, in any of the MBLAA trust accounts	4	5%	3	3%	4	4%	**5%**
Portfolio Details							
The mortgage administrator operated a MIC during the reporting period	12	12%	16	15%	24	20%	**1%**
The mortgage administrator administered private mortgages	New Question in 2014				62	51%	**9%**
The mortgage administrator administered syndicated mortgages	New Question in 2014				55	45%	**38%**
Securitization							
The mortgage administrator arranged or participated in arranging any securitization facilities	4	4%	5	5%	4	3%	**11%**[6]
The mortgage administrator made securitization sales	2	2%	2	2%	2	2%	**4%**[6]
Records Information (for additional information see Figures 37 and 38)							
The mortgage administrator retained required records at its principal place of business in Ontario	87	86%	94	86%	104	85%	**82%**
If records were stored somewhere else, the mortgage administrator notified the Superintendent	12	86%	13	87%	15	12%	**18%**

[4] Total number of mortgage administrators that answered “yes” to each question.
[5] Percentage of mortgage administrators that filed the 2014 AIR.
[6] Market share of mortgage instruments that were securitized.

Response Topics	2012		2013		2014		
	#[4]	%[5]	#	%	#	%	Market Share $
Unimpaired Working Capital							
The mortgage administrator maintained the required $25,000 of unimpaired working capital (or another arrangement, as approved by the Superintendent), at all times throughout the year	99	98%	108	99%	122	100%	**100%**
Reporting Changes (for additional information see Figure 40)							
The mortgage administrator opened new offices during the reporting period	4	4%	6	6%	6	5%	**0%**
The mortgage administrator closed offices during the reporting period	1	1%	7	6%	2	2%	**0%**
Remuneration/Payments							
The mortgage administrator had contingency commission payment arrangements with another person or entity	2	2%	4	4%	2	2%	**0%**
Licence Suitability							
The mortgage administrator reported any E&O claim(s) that were made against it during the reporting period in any Canadian jurisdiction	4	4%	3	3%	2	2%	**10%**
The mortgage administrator reported any claim(s) that were made against it and paid by its E&O insurance carrier or bonding company in any Canadian jurisdiction	0	0%	1	1%	0	0%	**0%**
The mortgage administrator reported any complaint(s) that were made against it to a regulatory body in any Canadian jurisdiction that was based, in whole or in part, on fraud, theft, deceit, misrepresentation, forgery or similar conduct	0	0%	1	1%	0	0%	**0%**
The mortgage administrator was fined or there were monetary penalties imposed by another Canadian financial services regulator, excluding FSCO	2	2%	0	0%	1	1%	**0%**
The mortgage administrator had unpaid fines/monetary penalties owing to another Canadian financial services regulator, other than FSCO	0	0%	0	0%	0	0%	**0%**
The mortgage administrator was subject to charges that were laid under the laws of a Canadian province/territory	0	0%	0	0%	0	0%	**0%**
The mortgage administrator had its licence(s) from another regulatory body/professional organization revoked or suspended	1	1%	0	0%	0	0%	**0%**
The mortgage administrator conducted other business from its premises	30	30%	27	25%	0	0%	**0%**

Mortgage Administrator Information

Figure 34: E&O Insurance Providers for Mortgage Administrators

Responses	2012		2013		2014	
	#	%	#	%	#	%
Provider A	0	0%	17	16%	42	34%
Provider B	0	0%	11	10%	17	14%
Provider C	18	18%	19	17%	16	13%
Provider D	10	10%	9	8%	12	10%
Provider E	0	0%	8	7%	9	7%
Provider F	33	32%	30	27%	7	6%
Provider G	7	7%	6	6%	6	5%
Provider H	0	0%	3	3%	5	4%
Other insurance providers	33	33%	6	6%	8	7%
Total	**101**	**100%**	**109**	**100%**	**122**	**100%**

Trust Account Information

Figure 35: Mortgage Administrators that Reported Trust accounts under the MBLAA

	2012			2013			2014		
	# Accounts	# Mortgage Administrators	% Mortgage Administrators	# Accounts	# Mortgage Administrators	% Mortgage Administrators	# Accounts	# Mortgage Administrators	% Mortgage Administrators
None	0	16	16%	0	13	12%	0	16	14%
Yes	1	68	67%	1	77	70%	1	86	70%
	2 to 25	15	15%	2 to 25	16	15%	2 to 25	17	14%
	26 to 50	2	2%	26 to 50	3	3%	26 to 50	3	2%
	51 to 75	0	0%	51 to 75	0	0%	51 to 75	0	0%
	76 or more	0	0%	76 or more	0	0%	76 or more		0%
Total	***206***	**101**	**100%**	***223***	**109**	**100%**	***256***	**122**	**100%**

Figure 36: New Trust Accounts Opened by Mortgage Administrators

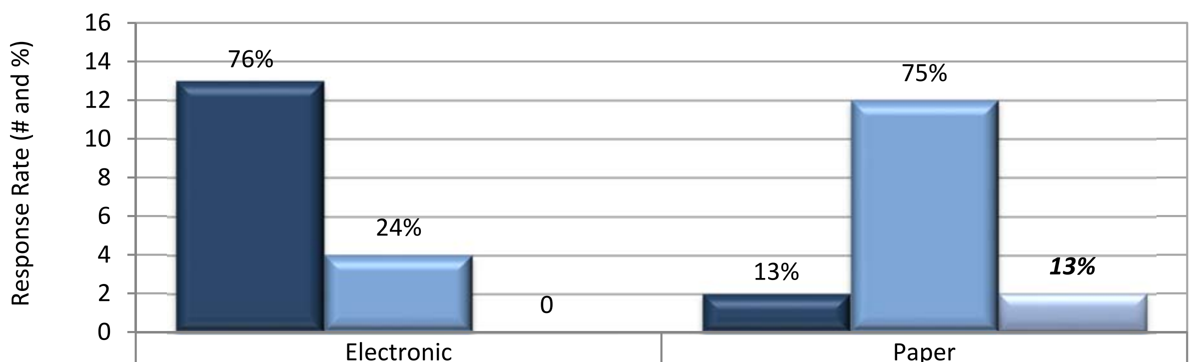
Responses by # of Trust Accounts	2012			2013			2014		
	#		%	#		%	#		%
1 account	20		69%	22		45%	24		54%
2 accounts		1	7%		1	4%		1	5%
3 accounts		1	10%		2	12%		1	7%
4 accounts	9	1	14%	27	1	8%	20	0	0%
6 accounts	accounts	0	0%	accounts	1	12%	accounts	0	0%
7 accounts		0	0%		0	0%		1	16%
8 accounts		0	0%		0	0%		1	18%
9 accounts		0	0%		1	19%		0	0%
Total		**29**	**100%**		**49**	**100%**		**44**	**100%**

Records Information

Figure 37: Format for Records Storage

Responses	2012		2013		2014	
	#	%	#	%	#	%
Electronic/paper	73	72%	83	76%	97	80%
Paper	12	12%	10	9%	8	7%
Electronic	16	16%	16	15%	17	14%
Total	**101**	**100%**	**109**	**100%**	**122**	**100%**

Figure 38: Retrieval Time to Access Records



	Electronic	Paper
Same day	13	2
1-3 days	4	12
Over 3 days	0	2

Complaints and Complaint Handling

Figure 39: Total Number of Written Complaints Received, Responded to and Resolved by the Mortgage Administrator

Reporting Period	# Complaints			
	Received	*Responded To*	*Resolved*	*Unresolved*
2012	39	39	35	4
2013	40	40	34	6
2014	35	35	34	1

Reporting Changes

Figure 40: Changes to Information that Were Reported to FSCO by Email

Mortgage Administrator Responses By Information Type	2012				2013				2014			
	Reported?		Changed?		Reported?		Changed?		Changed?		Reported?	
	#	%	#	%	#	%	#	%	#	%	#	%
Address for service	4	4%	9	9%	8	8%	10	9%	11	9%	11	9%
Address of principal place of business	4	4%	8	8%	7	7%	8	7%	12	10%	12	10%
Email, phone or fax	5	5%	3	3%	3	3%	6	6%	0	0%	0	0%
Officers or directors	12	12%	16	16%	14	13%	10	9%	12	10%	12	10%
Partners in partnership	3	3%	n/a	n/a	n/a	n/a	n/a	n/a	0	0%	0	0
E&O insurance	7	7%	9	9%	8	7%	8	7%	8	7%	6	5%

Appendix 3: New Questions in the 2014 AIR

List of New Questions in the Mortgage Brokerage AIR

FSCO modifies the information that is requested on the AIR on an annual basis, to help identify and understand emerging trends and risks. Below is a list of the new questions that were asked of mortgage brokerages in 2014. These questions are organized by topic, as they were asked on the 2014 AIR.

A. Mortgage Brokerage Information

Mortgage brokerages were asked to report:

- The E&O insurance liability limits per occurrence and per annual aggregate.
- Any other types of insurance they carried and the amounts of coverage.
- If the mortgage brokerage or its affiliates were:
  - members of the MFDA;
  - registered as an insurance brokerage under insurance legislation in any Canadian jurisdiction;
  - registered as a dealer or adviser under securities regulation in any Canadian jurisdiction; and
  - registered as a real estate brokerage under the Real Estate Business Brokerage Act.

  If the mortgage brokerage or its affiliates answered “yes” to any of these questions, they had to provide their membership or registration number, category of registration and the authorized name of the firm.

B. Trust Account Information

Mortgage brokerages were asked:

- How often they reconciled their trust accounts (e.g., monthly, quarterly, annually).
- If any shortfall in any of the MBLAA trust accounts was corrected.
- To identify any other type of shortfall.

C. Supervision of Operations

Mortgage brokerages were asked to provide:

- The location of the mortgage brokerage’s head office or headquarters in Canada as of December 31, 2014; if it was located in Ontario, mortgage brokerages had to identify the region (e.g., Toronto, central Ontario, eastern Ontario, northern Ontario, or southwestern Ontario).
- The number of offices the mortgage brokerage had outside Ontario (e.g., in another province or territory).

D. Portfolio Details/Information

Mortgage brokerages were asked to report:

- The number and dollar value of the different types of mortgages the mortgage brokerage managed. (Note that the definition of a "high ratio" mortgage was amended to mean a mortgage with a loan-to-value ratio greater than 80 per cent and that had mortgage default insurance). Two new types of mortgages were added to the list:
  - Reverse mortgages
  - Home equity line of credit mortgages (HELOC)
- The number and dollar value of mortgages that were funded by different types of lenders.
- The number of lenders available to fund mortgages, including the mortgage brokerage itself, as of December 31, 2014.

E. MICs

Mortgage brokerages were asked to report:

- All applicable names, the corresponding equity interest, and the legal name of any MIC the mortgage brokerage had an equity interest in.
- All the names, positions and the legal name of any MIC registered under any securities act of any jurisdiction, if a principal broker, officer or director held a management role in a MIC as of December 31, 2014.
- The amount of the mortgage brokerage's business that was funded by a MIC during the reporting period. The number, dollar value and the number of MICs that funded these mortgages also had to be provided.

F. Mortgage Syndication

Where applicable, mortgage brokerages were asked to provide:

- The number and dollar value of private mortgages, and the number of private lenders.
- The top three private lenders that funded the mortgage brokerage's mortgage transactions. Brokerages also had to provide the names, number and total dollar value of mortgages that were funded.
- If they syndicated mortgages, whether it was a brokered or co-brokered mortgage.
- The number of syndicated mortgages that were considered to be "high ratio".
- The number of lenders/syndicates that funded their syndicated mortgages.
- How many lenders were available for their syndicated mortgages as of December 31, 2014.
- The top three private lenders that funded the mortgage brokerage's mortgage transactions. Mortgage brokerages also had to provide the names, number of mortgages and total dollar value of mortgages that were funded.
- If they referred any client(s) to other licensed mortgage brokerages to invest in syndicated mortgage. If so, the mortgage brokerage had to identify the number of clients they referred to other mortgage brokerages. They also had to provide the dollar amount of compensation they received for referring clients to invest in syndicated mortgages.

G. Suitability

Mortgage brokerages were asked to provide a brief explanation for **each** E&O insurance claim that was:

- made against the mortgage brokerage or the mortgage brokerage's brokers or agents in any Canadian jurisdiction during the reporting period;
- made against the mortgage brokerage and paid by its E&O insurance carrier or bonding company, in any Canadian jurisdiction, during the reporting period; and
- made against the mortgage brokerage's brokers and agents and paid by its E&O insurance carrier or bonding company, in any Canadian jurisdiction, during the reporting period.

H. Remuneration

Mortgage brokerages were asked to report:

- If they accepted non-monetary incentives from lenders. If they received non-monetary incentives, the types of incentives had to be identified.
- The number of lenders they accepted non-monetary incentives from.
- If they offered credit cards or gift cards as remuneration, including incentives.
- The number of lenders that the mortgage brokerage had a contingency commission or payment arrangement with.
- To explain any tri-party compensation agreement for the payment of incentives, other than money that it had between itself, its broker or agents, and other mortgage brokerages.
- To identify the number of agents or brokers that were compensated through a personal corporation.

List of New Questions in the Mortgage Administrator AIR

FSCO modifies the information that is requested on the AIR on an annual basis, to help identify and understand emerging trends and risks. Below is a list of the new questions that were asked of mortgage administrators in 2014. These questions are organized by topic, as they were asked on the 2014 AIR.

A. Supervision of Operations

- Mortgage administrators were asked to report the province or territory where their headquarters or head office was located as of December 31, 2014.

B. Portfolio Details/Information

- Mortgage administrators were asked to report if they administered any private mortgages. If private mortgages were administered, they had to report the number and dollar value of these private mortgages and the number of private lenders.

C. Syndicated Mortgages

- Mortgage administrators were asked:
    - To report if they administered any syndicated mortgages. If so, they had to report the number, dollar value and the number of syndicates or lenders that funded these syndicated mortgages.
    - To identify the top three syndicates or lenders whose mortgages they administered. The names, number and dollar value of each syndicate's or lender's mortgage had to be identified.