



**Financial Services  
Commission  
of Ontario**  
5160 Yonge Street  
Box 85  
Toronto ON M2N 6L9

# Administrator Annual Information Return for 2018

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

## General Information

Legal Name of Administrator

Other authorized name

Contact person Licence #

Business type Contact name

Principal business address Apt./Unit  
Street address

City Province Postal code

Mailing address (check if same as above)   
Street address Apt./Unit

City Province Postal code

Phone number Ext. Fax Contact email address  
( ) ( )

**NOTE:** If any of the above information has changed, notify the Financial Services Commission of Ontario (FSCO) by email at [contactcentre@fSCO.gov.on.ca](mailto:contactcentre@fSCO.gov.on.ca).

Welcome to the 2018 Annual Information Return (AIR). The Financial Services Commission of Ontario (FSCO) uses the information you provide in the AIR to help identify, assess and monitor risk in the mortgage administrator sector. The deadline to file the AIR is by **March 31, 2019**. The reporting period is January 1 to December 31, 2018; you must file even if you did not conduct any business during the reporting period.

### BEFORE YOU PROCEED

Only the Principal Representative of the licensed mortgage administrator can complete and submit the AIR. If you fail to file the AIR on time, FSCO may take steps to suspend or revoke your mortgage administrator licence. You may also be subject to an administrative monetary penalty. Any missed deadline will be noted on your file, which may increase the level of future enforcement action taken by FSCO.

## WHAT YOU NEED TO COMPLETE THE AIR

- Recommended internet requirements (Internet Explorer 11; secure high-speed internet connection; JavaScript, cookies, pop-ups, 128-bit encryption and security protocol TLS 1.2 enabled).
- Errors and omissions policy number and expiry date
- Administrator licence number
- Total number and location of offices in Canada
- Dollar value of mortgages administered in Canada, by region
- Download and review the [Sample Questionnaire](#) in advance to determine what additional information you may need.

Note: Consistent with FSCO's role in protecting the public interest pursuant to s.3 (a) of the Financial Services Commission of Ontario Act, 1997, FSCO collaborates with other organizations, including fraud prevention organizations and law enforcement agencies, to help combat unlawful activity. Be advised that the information you provide in the AIR may be shared with such organizations.

**On average, entering information for the AIR online will require approximately 60-90 minutes to complete. Should you require additional time to complete the AIR, you may return at a later time and date to complete the AIR. It is recommended that you complete each page to ensure your data is saved properly.**

**If you have finished reading and understand the instructions, please proceed to the next page to begin.**

### Administrator Information

#### a) E&O Insurance Provider

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> AIG Insurance Company of Canada   | <input type="checkbox"/> Liberty International Underwriters, (Liberty Mutual Insurance Company) | <input type="checkbox"/> Lloyd's Underwriters through Evolution Insurance Inc.                          |
| <input type="checkbox"/> Chubb Insurance Company of Canada   | <input type="checkbox"/> Lloyd's Underwriters through RDA Inc.                                  | <input type="checkbox"/> Lloyd's Underwriters (Canadian Mortgage Brokers Association Sponsored Program) |
| <input type="checkbox"/> CUMIS General Insurance Company   | <input type="checkbox"/> Lloyd's Underwriters through Holman Insurance Brokers Ltd.             | <input type="checkbox"/> Lloyd's Underwriters as arranged by Trinity Underwriting Managers              |
| <input type="checkbox"/> Encon Group Inc.  | <input type="checkbox"/> Lloyd's Underwriters through Special Risk Insurance Managers Ltd.      | <input type="checkbox"/> Royal & Sun Alliance Insurance Company of Canada                               |
| <input type="checkbox"/> Intact Insurance Company (Western Division)   | <input type="checkbox"/> Lloyd's Underwriters through Groupassur Inc.                           | <input type="checkbox"/> Sovereign General Insurance Company  |
| <input type="checkbox"/> International Insurance Company of Hannover Ltd. (A.M. Fredericks Underwriting Management Ltd.) | <input type="checkbox"/> Lloyd's Underwriters through Catlin Canada                             | <input type="checkbox"/> Sovereign General Insurance through Premier Canada Assurance Managers Ltd.     |
|  |   | <input type="checkbox"/> Zurich Insurance Company Limited   |
|  |   | <input type="checkbox"/> Other _____  |

#### a. (ii) Indicate the liability limits under your current E&O policy

##### **Per occurrence**

- \$500,000  
 \$1,000,000  
 Other – specify amount:

##### **Per annual aggregate**

- \$1,000,000  
 \$2,000,000  
 Other –specify amount:

1) Policy number

2) Expiry date

b) What is the administrator's designated fiscal year-end?  
(Date)

c) Did the administrator file financial information pursuant to [O. Reg. 193/08 s. 3](#)?

Yes  No

1) If yes, what date?

i. If not filed within 90 calendar days from the designated fiscal year-end, explain why?

2) If no, provide an explanation:

d) If the administrator has a brokerage licence, enter the brokerage licence number here:

e) Does the administrator have a mortgage brokerage or administrator licence in another jurisdiction/province? [Yes/No]  
If yes, provide details. [Free-text]

### Trust Account Information

The purpose of these questions is to verify compliance with legal obligations under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA).

1. Did the administrator have a trust account(s) under the MBLAA?

Yes  No

1 a) If no, explain:

If yes:

1 b) How many MBLAA trust accounts did the administrator have as at December 31, 2018?

1 c) Of the total number, how many MBLAA trust accounts did the administrator open during the reporting period

1c/i) Did the administrator obtain prior written consent from the Superintendent pursuant to O. Reg. 189/08, s. 34 (2)?  Yes  No

1c/ii) If no, explain why?

1 d) Did the administrator reconcile all of its MBLAA trust accounts?  Yes  No

1d/i) If no, explain why?

1e) Was interest earned from monies on deposit in your trust account fully credited to the buyer/investor? [Yes/No]  Yes  No

1e-i) If no, explain why? [Free-text]

2. Was there a shortfall, at any time, in any of the MBLAA trust accounts?

Yes

No

Not Applicable

If yes, provide the following information:

2 a)	Date	Amount	Corrected	When	Reported to Superintendent	Comment
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Other shortfalls: \_\_\_\_\_

**Supervision of Operations**

The purpose of these questions is to determine whether the administrator's operations are organized in a way that facilitates supervision of its own operations and examination/inspection planning by FSCO.

3. Indicate the total number of owners of the administrator, including any Directors and Officers, as at December 31, 2018.

- Select 1 to 10
- 10+
- Publically traded company

List any owners of the administrator, other than the Directors or Officers, as at December 31, 2018.

If more than five, list the top five owners, based on the greatest percentage of ownership.

If the brokerage is a publically traded company, insert "Shareholders" in the "Owner's legal name" column.

	Owner's legal name	Percentage owned
3b	#	#
	#	#
	#	#
	#	#
	#	#
		<b>Auto Sum</b>

Where was the administrator's head office/headquarters in Canada as at December 31, 2018?

- |   |  |   |                                       |
|---|--|---|---------------------------------------|
| <input type="checkbox"/> Alberta          | <input type="checkbox"/> New Brunswick           | <input type="checkbox"/> Nunavut              | <input type="checkbox"/> Quebec       |
| <input type="checkbox"/> British Columbia | <input type="checkbox"/> Newfoundland & Labrador | <input type="checkbox"/> Ontario              | <input type="checkbox"/> Saskatchewan |
| <input type="checkbox"/> Manitoba         | <input type="checkbox"/> Northwest Territories   | <input type="checkbox"/> Prince Edward Island | <input type="checkbox"/> Yukon        |
|   | <input type="checkbox"/> Nova Scotia             |   |                                       |

4. Provide the total number of offices for each Ontario region as at December 31, 2018, as applicable:

Ontario Region	# of Offices
Central Ontario (L/M)*	
Southwestern Ontario (N)	
Eastern Ontario (K)	
Northern Ontario (P)	
<b>Total # of Offices</b>	<b>Auto</b>

\* L or M, N, K, P is the first letter of the postal code for each region respectively

4 a) List top five locations by the number of offices, as applicable:

No.	City/Town (i)	# of Offices (ii)
1.		
2.		
3.		
4.		
5.		

5. Did the administrator administer mortgages in other Canadian provinces/territories?  
 Yes       No

5 a) If yes, provide the following information for each province/territory, as applicable:

Canadian Province/Territory	% of # Mortgages	% of \$ Mortgages
Alberta		
British Columbia		
Manitoba		
New Brunswick		
Newfoundland and Labrador		
Nova Scotia		
Northwest Territories		
Nunavut		
Ontario		
Prince Edward Island		
Quebec		
Saskatchewan		
Yukon		
<b>Total</b>	<b>Auto</b>	<b>Auto</b>

### Portfolio Details/Information

The purpose of these questions is to gather marketplace statistics.

6. Provide the following information on the administrator mortgage portfolio during the reporting period:

Total # of mortgages under administration  6a  
 Total of \$ value of mortgages under administration  6b

Total # of investors the administrator transacted with during the reporting period  6c

Total # of mortgages in arrears  6d

Total \$ value of mortgages in arrears  6e

Total # of mortgages in arrears where foreclosure/power of sale proceedings commenced  6f

Total \$ value of mortgages in arrears where foreclosure/power of sale proceedings commenced  6g

7. **NOTE:** Question 7 is intended for information gathering purposes only, and not for compliance purposes.

Did the administrator operate a Mortgage Investment Corporation (MIC) during the reporting period?

Yes  No

**NOTE:** For the purpose of the AIR, a **Mortgage Investment Corporation (MIC)** is an investment/lending company designed specifically for mortgage investing or lending, in Canada, and governed by the Income Tax Act. The MIC is organized for investing in pools of mortgages, primarily residential, and manages a diversified and secured portfolio of mortgages. Profits generated by the MIC are distributed to its shareholders according to their proportionate share.

8. Did the administrator administer any private mortgages?

Yes  No

8 a) If yes, complete the following:

# of mortgages

\$ of mortgages

# of private lenders

<input type="text"/>
<input type="text"/>
<input type="text"/>

8 b) List the top three (3) private lenders the administrator administered for based on the value of mortgages:

Name	# Mortgages	\$ Mortgages
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

9. Did the administrator administer any non-qualified syndicated mortgages?

Yes  No

9 a) If yes, complete the following:

# of mortgages  
\$ of mortgages  
# of  
syndicates/lenders


9 b) List the top three (3) syndicates/lenders the administrator administrated for based on the value of mortgages:

Name	# Mortgages	\$ Mortgages

**Qualified syndicated mortgage:** A syndicated mortgage that meets all of the following criteria:

1) It is negotiated or arranged through a mortgage brokerage.

2) It secures a debt obligation on property that,

i) is used solely for residential purposes,

ii) includes no more than a total of four units, and

iii) if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.

3) At the time the syndicated mortgage is arranged, the amount of debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.

4) It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.

5) The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

**Non-qualified syndicated mortgage:** A syndicated mortgage which does not meet the requirements of a qualified syndicated mortgage.

9c) Does the administrator have in place, policies and procedures which relate specifically to the disbursement of funds to the borrower for a non-qualified syndicated mortgage?

Yes  No

Explain: (Regardless of whether yes or no)

## Securitization

10. Did the administrator arrange or participate in arranging any securitization facilities?

Yes  No

10 a) If yes, complete the following:

# of instruments  
\$ of instruments


11. Did the administrator make securitization sales?

Yes  No

11 a) If yes, complete the following:

# of instruments

\$ of instruments

**NOTE:** Securitization in questions 10 and 11 means providing mortgages for, or otherwise arranging pools of mortgages in connection with, the creation of mortgage-backed securities.

## Records Information

12. What format are your required records stored in? (check all that apply)

Electronic

Paper

12 a) Were the required records retained at the administrator's principal place of business in Ontario?

Yes

No

If no:

12 b) Was the Superintendent notified?

Yes

No

i) If no, explain why:

12 c) What is the retrieval lead time required to access your files?

Electronic Records

Paper Records

Same day

Same day

1-3 days

1-3 days

Over 3 days

Over 3 days

## Unimpaired Working Capital

13. Did the administrator maintain the required \$25,000 of unimpaired working capital or such other arrangement as approved by the Superintendent, at all times throughout the year?

Yes  No

13 a) If no, explain:

## Complaints and Complaint Handling

14. Name of the person(s) designated to receive complaints for the administrator:

15. Total number of written complaints received by the administrator during the reporting period:

15 a) Of the total written complaints received, how many were responded to, as required by legislation?

**NOTE:** The administrator must respond, in writing, to all written complaints that are received

15 b) Of the total written complaints received, how many were resolved as at December 31, 2018?

**NOTE:** For the purpose of the AIR, resolved means the administrator has addressed and responded in writing to all concerns raised by the complainant.



**Suitability**

The purpose of these questions is to help determine if the mortgage administrator is suitable to continue to be licensed.

16. Were any E&O claims made against the administrator during the reporting period in any Canadian jurisdiction?  
 Yes       No

16 a) If yes, how many claims?

17. Were any claims against the administrator paid by its E&O insurance carrier or bonding company in any Canadian jurisdiction, during the reporting period?  
 Yes       No

If yes:

17 a) How many claims were paid out?

17 b) Provide a brief explanation:

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18. During the reporting period, was a complaint made against the administrator 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?  
 Yes       No

18 a) If yes, provide a brief explanation:

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19. During the reporting period, was the administrator fined or were any monetary penalties imposed by any Canadian financial services regulator excluding FSCO?  
 Yes       No

19 a) If yes, provide a brief explanation:

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20. During the reporting period, did the administrator have any unpaid fines/monetary penalties owing to any Canadian financial services regulator, excluding FSCO?  
 Yes       No

20 a) If yes, provide a brief explanation:

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21. During the reporting period, was the administrator subject to any charges laid under the laws of any Canadian province/territory?

Yes  No

21 a) If yes, provide a brief explanation:

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21 During the reporting period, was the administrator fined or otherwise sanctioned by any

b) Provincial/Federal courts?

Yes  No

If yes, provide a brief explanation:

22. During the reporting period, were any licences the administrator held from a regulatory body/professional organization revoked or suspended?

Yes  No

22 a) If yes, provide a brief explanation:

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23. Did the administrator conduct any other business from the business premises?

Yes  No

23 a) If yes, describe:

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23 During the reporting period, was the administrator named in a lawsuit (Statement of Claim, Counterclaim or Third-party Claim)?

b)  Yes  No

23c) If yes, provide a brief explanation:

## Reporting Changes

24. Did the administrator open any offices during the reporting period?

Yes  No

24a) If yes, how many offices were opened?

25. Did the administrator close any offices during the reporting period?

Yes  No

25a) If yes, how many offices were closed?

26. Did any of the following information change during the reporting period, and were the changes reported to FSCO by email at [contactcentre@fSCO.gov.on.ca](mailto:contactcentre@fSCO.gov.on.ca):

Check all that apply

Changed?

Reported?

Check all that apply	Changed?	Reported?
Address for Service	<input type="checkbox"/>	<input type="checkbox"/>
Address of Principal Place of Business	<input type="checkbox"/>	<input type="checkbox"/>
Email, Phone or Fax	<input type="checkbox"/>	<input type="checkbox"/>
Officers or Directors	<input type="checkbox"/>	<input type="checkbox"/>
Partners in Partnership	<input type="checkbox"/>	<input type="checkbox"/>
E&O Insurance	<input type="checkbox"/>	<input type="checkbox"/>

**Remuneration/Payments**

27. Did the administrator have contingency commission (e.g., volume bonus) or payment arrangements with another person or entity?

Yes  No

28. Provide the number of investors or lenders the administrator conducted business with during the reporting period:

**Attestation**

I, \_\_\_\_\_ of \_\_\_\_\_

Print name

Title of Position at the Administrator

The Administrator

**CERTIFY THAT:**

I am aware that it is an offence to make a false statement to the Superintendent under the Mortgage Brokerages, Lenders and Administrators Act, 2006, and that the information provided in this Annual Information Return is true to the best of my knowledge and belief.

Signature

Date

**NOTE:** This Annual Information Return can only be completed by a sole proprietor, a general partner of a partnership or an officer of a corporation.

**REMINDER:** Before submitting this return, make sure that you have thoroughly reviewed all answers for accuracy. Once the AIR is submitted, no changes can be made.