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Dear Ms. Melbye:

**Re: Mandatory Continuing Education (“CE”) for the
Mortgage Broker Sector in Ontario: A Proposal for Consultation**

The Association of Canadian Financial Corporations (“ACFC”) is responding to FSCO’s consultation paper in respect of proposals for continuing education for the mortgage broker sector.

FSCO is considering implementing CE to address non-compliance issues in respect of brokerages’ administrative filings and failure to meet errors and omissions insurance. Perhaps FSCO should continue to focus its resources and regulation in high-risk areas of the mortgage broker industry, where true mortgage brokers acting as intermediaries receive funds in trust, and provide direct advice to borrowers.

Our members are subsidiaries of large international financial services companies that are highly regulated. They have not been the subject of any compliance issues under the Mortgage Brokerages, Lenders and Administrators Act, 2006. Most of the filing, record keeping and standards of practice such as disclosure of conflict of interest and commission/brokerages fees are inapplicable to our members’ lending operations. Our members’ employees do not act as intermediaries, as our members lend their own funds. The courses recommended in the consultation paper would therefore be inapplicable to our members’ business. Our members update in-house training and testing of employees on a regular basis to ensure compliance with legal requirements. Internal auditing ensures additional oversight for compliance purposes.

Moreover, special MAQ’s were developed for members’ employees in conjunction with FSCO, which approved in-house training to fulfill MAQ requirements, thus exempting employees from formal course requirements. This exemption should continue to apply to any CE requirements.

We look forward to hearing from you regarding FSCO’s final proposals for CE in the mortgage broker industry.

ASSOCIATION OF CANADIAN FINANCIAL CORPORATIONS