

February 28, 2011

Ms. Cara Melbye  
Senior Policy Analyst  
Licensing and Market Conduct Division  
Financial Services Commission of Ontario (FSCO)  
5160 Yonge Street, Box 85  
Toronto Ontario  
M2N 6L9

Dear Ms. Melbye,

**Re: Mandatory Continuing Education for the Mortgage Broker sector in Ontario**

On behalf of the Canadian Association of Accredited Mortgage Professionals (CAAMP), I wish to provide the following comments in response to the Discussion Paper on mandatory Continuing Education (CE) issued by FSCO. CAAMP forwarded the Discussion Paper to all its Ontario members requesting feedback and input. Our response is based on their comments, the knowledge we gained from offering the mortgage agent course and understanding CE requirements in other provinces.

As we indicated during the drafting of the *Mortgage Brokerages Lenders and Administrators Act*, CAAMP supports the concept of mandatory CE for relicensing purposes. The Discussion Paper notes that mandatory CE would become effective for the next licensing period which runs from April 1, 2012 to March 31, 2014. CAAMP believes that CE for the mortgage broker sector in Ontario must be credible, accessible, verifiable and relevant. Mandatory CE raises the bar on professionalism, something CAAMP strongly supports. As noted in the paper, both Alberta and British Columbia already have mandatory CE for their licensed mortgage brokers.

The discussion paper suggests a total of three to five hours of mandatory CE over the two year period. CAAMP believes mandatory CE should be completed annually. This would take the form of two mandatory CE courses for the licensing period of 2012 to 2014. The first CE course would be two hours for 2012/2013 and the second course, two hours for 2013/2014. The total of four CE hours is in line with FSCO's proposal. CAAMP believes in annual mandatory CE to avoid licensees waiting until the last minute to take the required CE courses, i.e. January 2014. We understand that FSCO is examining its regulatory ability to implement such a requirement, but we note it cannot be the intent of the regulator for licensees not to take any CE for an 18 or 22 month period prior to the next relicensing period.

The Discussion Paper suggests that mandatory CE cover regulatory issues. CAAMP supports this suggestion. We believe the initial two annual mandatory CE courses should cover issues such as compliance and other regulatory issues (the suitability of a mortgage, know your client, etc.) FSCO will also have, from its Annual Information Returns, as well as its ongoing audits, suggestions on areas that need to be reinforced given lack of compliance. CAAMP would work with FSCO to identify the two mandatory CE courses and market them to the industry.

The Discussion Paper notes that FSCO will approve the providers for mandatory CE and not offer the courses itself. We support this position and point to what we believe is the successful education model for the mortgage agent license where there are currently four approved providers. CAAMP supports the approval of a limited number of providers, three or four, for the first relicensing period from 2012 to 2014. FSCO needs to work with proven partners to ensure the mandatory CE project is successful. The total number of providers can then be revisited for the 2014 to 2016 licensing period. Providers must also have a proven history of record keeping and forwarding material to FSCO. As you are aware, CAAMP provides FSCO with a regular update on those who have taken and passed its mortgage agent course. FSCO will also be familiar with our updated CRM system that can easily manage thousands of transactions.

CAAMP believes that mandatory CE should be offered both in-class and online. We also feel it is important that there be a final learner assessment to ensure licensees have not only taken the required CE, but are familiar with its content. CAAMP recommends that any approved provider in Ontario must also have the ability to offer mandatory CE in French.

There are approximately 11,000 mortgage brokers and agents in the province. If CAAMP's recommendation for two CE courses is adopted, there would be over 22,000 transactions resulting in a complex managing process. CAAMP would not oppose FSCO implementing a licensing or provider approval fee for each approved provider. The Real Estate Council of Ontario receives a fee from approved providers for the purposes of licensing.

Similar to the mortgage agent course, CAAMP believes a conflict of interest policy for approving providers is wise e.g. licensee's may not offer their own CE. Finally, regarding reciprocity, out-of-province providers should only be approved if an Ontario-based provider can offer CE in that province. CAAMP does not object to an out-of-province licensee, who also has an Ontario license, being exempt from having to complete the CE twice. CAAMP would encourage FSCO to enter into agreements with those provinces that currently have mandatory CE with the stipulation that each regulator recognize their counterpart's mandatory CE offerings.

These are our comments on the Discussion Paper. Should you wish to discuss them further, please do not hesitate to contact the undersigned.

Sincerely,



Jim Murphy, AMP  
President and CEO

cc: Mr. Phil Howell, FSCO  
Mr. Grant Swanson, FSCO  
Ms. Izabel Scovino, FSCO