



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

# Brokerage Annual Information Return for 2018

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

## General Information

Legal Name of Brokerage		Licence number	
Other authorized name		Business type	
Principal broker:		Licence #:	
Principal place of business address Street address			Apt./Unit
City	Province	Postal code	
Mailing address (check if same as above) <input type="checkbox"/>			
Street address			Apt./Unit
City	Province	Postal code	
Phone number ( )	Ext. ( )	Fax ( )	Principal broker email

**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 brokering 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 Broker of the licensed mortgage brokerage 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 brokerage 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.

Please note that any inquiries made to FSCO regarding the AIR must be made directly by the Principal Broker.

If you are a franchisor, do not report for your franchisees.

## 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).
- Brokerage licence number
- Errors and omissions policy number and expiry date
- Total number and location of offices in Canada
- Dollar value of mortgages brokered 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. Please 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 minutes to several hours complete. Should you require additional time, 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.**

SAMPLE

**Brokerage 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 though 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. (i) Was your E&O insurance obtained through the membership of the following industry associations?

- Mortgage Professionals Canada
- Canadian Mortgage Brokers Association
- N/A

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

- |  |  |
|--|--|
| <b>Per Occurrence</b>                                  | <b>Per Annual Aggregate</b>                            |
| <input type="checkbox"/> \$500,000                     | <input type="checkbox"/> \$1,000,000                   |
| <input type="checkbox"/> \$1,000,000                   | <input type="checkbox"/> \$2,000,000                   |
| <input type="checkbox"/> Other – Specify Amount: _____ | <input type="checkbox"/> Other – Specify Amount: _____ |

b. Policy number

c. Expiry date

d. Is your brokerage a franchise?

- Yes
- No

e. If yes, name of the franchisor:

f. If the brokerage has an administrator licence, enter the administrator licence number here:

g. Which of the following MBLAA business activities was your brokerage engaged in, in Ontario, during the reporting period?

- Dealing in Mortgages
- Trading in Mortgages
- Mortgage Lending
- None of the above

**NOTE:** For a definition of dealing, trading or lending in mortgages, refer to [MBLAA, s. 2 \(1\), s. 3 \(1\) and s. 4 \(1\)](#).

g. (i) If none of the above, what was your brokerage's primary line of business?

- |   |   |
|---|---|
| <input type="checkbox"/> Accounting                   | <input type="checkbox"/> Legal Services     |
| <input type="checkbox"/> Advisory Services/Consulting | <input type="checkbox"/> Mortgage Referrals |
| <input type="checkbox"/> Administering Mortgages      | <input type="checkbox"/> Real Estate        |

Construction

Other:

h. Is the brokerage or its related persons/entities\* a member of The Mutual Fund Dealers Association of Canada (MFDA)?

Yes  No

i. If yes, indicate the MFDA membership number of the brokerage or its related persons/entities\* and the authorized name of the firm:

j. Is the brokerage or its related persons/entities\* registered as an insurance brokerage under insurance legislation in any Canadian jurisdiction?

Yes  No

k. If yes, indicate the registration number of the brokerage or its related persons/entities\*, the authorized name of the firm and the category of registration:

l. Is the brokerage or its related persons/entities\* registered as a dealer or adviser under securities regulation in any Canadian jurisdiction?

Yes  No

m. If yes, indicate the registration number of the brokerage or its related persons/entities\*, the authorized name of the firm and the category of registration:

n. Is the brokerage or its related persons/entities\* registered as a real estate brokerage under the Real Estate Business Brokerage Act?

Yes  No

o. If yes, indicate the registration number of the brokerage or its related persons/entities\*, the authorized name of the firm and the category of registration:

p. Does the brokerage or its related persons/entities\* hold any other licences including mortgage brokerage or mortgage administrator licences in other provinces?

Yes  No

P1: If yes, specify:

\*e.g. Affiliates, officers, directors, partners, employees, brokers, agents, shareholders etc. of the brokerage

### 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 brokerage have a trust account(s) under the MBLAA?

Yes  
 No

If yes:

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

1b) Of the total number, how many MBLAA trust accounts were opened during the reporting period?

(i) Did the brokerage obtain prior written consent from the Superintendent pursuant to O. Reg. 188/08, s. 50 (2)?

Yes  No

(ii) If no, explain why?

1c) Did the brokerage reconcile all of its MBLAA trust accounts?

Yes  No

(i) If yes, how often did the brokerage reconcile the trust accounts?

Monthly  Quarterly  Annually

(ii) If no, explain why?

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

- Yes  
 No  
 Not Applicable

2a) If yes, complete the following:

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			

Other shortfalls :

### Supervision of Operations

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

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

- Select 1 to 10  
 10+  
 Publically traded company

List any owners of the brokerage, 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) Where was the brokerage's head office/headquarters in Canada as at December 31, 2018?

3b-ii) If the brokerage's head office/headquarters was located in Ontario, provide the region:

- Toronto (M)  
 Central Ontario (excluding Toronto) (L)  
 Eastern Ontario (K)  
 Northern Ontario (P)  
 Southwestern Ontario (N)

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

4. Provide the following information about the brokerage's offices for each Ontario region as at December 31, 2018 as applicable:

Ontario Region	# of Offices	No. of Offices with Broker**
----------------	--------------	------------------------------

1. Toronto (M)
2. Central Ontario (excluding Toronto) (L)
3. Eastern Ontario (K)
4. Northern Ontario (P)
5. Southwestern Ontario (N)

<b>Total</b>	<b>Total</b>

**Total # of Offices**

\*\* Licensed broker assigned to office in a supervisory capacity

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

**Central Ontario Region (including Toronto)**

City/Town (i)	# of Offices (ii)
	#
	#
	#
	#
	#

**Eastern Ontario Region**

City/Town	# of Offices
	#
	#
	#
	#
	#

**Northern Ontario Region**

City/Town	# of Offices
	#
	#
	#
	#
	#

**Southwestern Ontario Region**

City/Town	# of Offices
	#
	#
	#
	#
	#

NOTE: For the purpose of the AIR, "office" is defined as: "A place of business where a broker or agent spends more than 50% of his or her time working on mortgage brokering, including home offices."

5. How many offices in Ontario did the brokerage have that were open to the public as at December 31, 2018?

NOTE: For the purpose of the AIR, "open to the public" is defined as: "A place of business accessible by the general public or where the public is invited to come during business hours."

6. Of the offices open to the public in Ontario, how many were more than 100 km away from the Principal Broker's primary location of work?

7. Select all applicable steps (as described in your Policies and Procedures) taken by the brokerage during the reporting period to provide adequate supervision for all offices in Ontario where business was transacted:

- Onsite Supervisor/Manager
- File Review/File Audits
- Regular Meetings (monthly, quarterly etc.)
- Policies and Procedures/Best Practices
- Remote Training/Support (phone/email/fax/online)
- In-person Training/Support
- Individual Performance Reviews of Agents/Brokers
- Other

7a) If "Other" is selected, explain:

7b) Were additional steps taken if the office(s) was more than 100 km away?


8. Did your brokerage deal or trade in mortgages in other Canadian provinces/territories?

- Yes  
 No

8a) What percentage of mortgage business, approximately, was conducted in each province/territory, as applicable?

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

9. If the brokerage's head office/headquarters was in Ontario:

How many offices did the brokerage have in Canada, outside of Ontario, as at December 31, 2018?

<b>Canadian Province/Territory</b>	<b># of Offices</b>
Alberta	#
British Columbia	#
Manitoba	#
New Brunswick	#
Newfoundland & Labrador	#
Nova Scotia	#
Northwest Territories	#
Nunavut	#
Prince Edward Island	#
Quebec	#
Saskatchewan	#
Yukon	#
<b>Total</b>	

**NOTE:** For the purpose of the AIR, "office" is defined as: "A place of business where a broker or agent spends more than 50% of his or her time working on mortgage brokering, including home offices."

10. Provide the following information about the number of brokers and agents registered by the brokerage in Ontario as at December 31, 2018:

<b>Total # of brokers</b>	<b># of full time brokers</b>	<b>Total # of agents</b>	<b># of full time agents</b>	<b># of other staff</b>	<b>Total</b>

- 10a) How many brokers/agents left the brokerage during the reporting period (resigned/terminated)?
- 10a-ii) How many brokers/agents joined the brokerage during the reporting period?
- 10b) During the reporting period, did the brokerage terminate a broker/agent for cause?  Yes  No
- If yes:
- 10c) Did you report the matter to FSCO through Licensing Link?  Yes  No
- 10d) Did you report all cases to FSCO pursuant to O. Reg. 188/08, s. 43 (3)?  Yes  No
- 10d-i) If no, explain why?

11. Did you review the brokerage's Policies and Procedures pursuant to O. Reg. 410/07, s. 3 (1) during the reporting period?  
 Yes  
 No
- 11 a) When were they last updated?
- 11b) During the reporting period, did the brokerage decline to proceed with a mortgage because they were made aware of, or had reason to suspect fraud?  
 Yes  
 No
- If Yes, explain:
- 11c) During the reporting period, did the brokerage have a deal declined by a lender because the lender was made aware of, or had reason to suspect fraud?  
 Yes  
 No
- If yes, explain:

**Records Information**  
 The purpose of these questions is to facilitate examination/inspection/planning.

12. What format were your required records stored in? (check all that apply)  
 Electronic  
 Paper
- 12a) Were the required records retained at the brokerage's principal place of business in Ontario?  Yes  No
- If no:
- 12b) Was the Superintendent notified pursuant to O. Reg. 193/08, s.5?  Yes  No
- 12b) i) If no, explain:
- 12c) What is the retrieval lead time required to access your files?

**Electronic Records** **Paper Records**



- Same day
- 1-3 days
- Over 3 days

- Same day
- 1-3 days
- Over 3 days

13. Has your brokerage taken precautions to ensure the security of your records?

- Yes
- No

13a) Describe the precautions taken:

**Portfolio Details/Information**  
*(The purpose of these questions is to gather marketplace statistics)*

14. Excluding non-qualified syndicate mortgages, did the brokerage close any mortgage deals during the reporting period?

- Yes
- No

14a) If yes, excluding non-qualified syndicated mortgages, provide the total number (#) and dollar value (\$) of mortgages brokered and closed by the brokerage:

14a) i) Total # of mortgages

14a) ii) Total \$ value of 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 primarily 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.

14b) Provide the # and \$ value for the following types of mortgages:

Mortgage Type	(14b/i) # of Mortgages	(14b/ii) \$ of Mortgages
a) Residential <sup>6</sup>	#	#
b) Commercial <sup>7</sup>	#	#
c) Other	#	#
c) (i) Specify the types of mortgages included under "Other":		
TOTAL (a+b+c)		
d) Conventional <sup>1</sup>	#	#
e) High Ratio <sup>2</sup>	#	#
f) High Ratio – Uninsured <sup>3</sup>	#	#
TOTAL (d+e+f)		
g) First Mortgage	#	#
h) Second Mortgage	#	#
i) Third Mortgage	#	#
j) Other Mortgages (4 <sup>th</sup> , 5 <sup>th</sup> , etc.)	#	#
TOTAL (g+h+i+j)		
k) New Loans	#	#
l) Renewals <sup>4</sup>	#	#
TOTAL (k+l)	#	#
m) First Time Homebuyers	#	#
n) Reverse		
o) Sub-Prime <sup>5</sup>	#	#
p) Construction and development <sup>8</sup>	#	#
q) Home Equity Line of Credit (HELOC)	#	#
r) Qualified Syndicated Mortgages	#	#

<sup>1</sup> **Conventional:** Loan to Value Ratio less than or equal to 80%

<sup>2</sup> **High Ratio:** Loan to Value Ratio greater than 80% and insured with mortgage default insurance.

<sup>3</sup> **High Ratio - Uninsured:** Loan to Value Ratio greater than 80% and uninsured

<sup>4</sup> **Renewals:** Mortgages that were originally placed by the brokerage and renewed with the same lender on the same property.

<sup>5</sup> **Sub-prime:** For the purposes of this return, sub-prime business shall mean arranging a mortgage for individual(s) with a mean credit score of 600 points or less. It is based on the credit worthiness of the individual borrower(s).

<sup>6</sup> **Residential:** A mortgage entered into with an individual borrower that is secured by a residential property with four units or less, or a single residential unit within a strata condominium.

<sup>7</sup> **Commercial:** a mortgage entered into with a borrower, lender or investor that is not a residential mortgage.

<sup>8</sup> **Construction and development:** a mortgage entered into with a borrower, investor or lender for the purpose of financing the construction of a building or property development project.

15. Excluding non-qualified syndicated mortgages, provide the following information regarding the brokerage's business funded by these lenders:

(15a) Type of lender	(15b) # of mortgages	(15c) \$ of mortgages	(15d)
-------------------------	-------------------------	--------------------------	-------

			Dollar value of fees received
<input type="checkbox"/> Bank	#	\$	\$
<input type="checkbox"/> Credit union	#	\$	\$
<input type="checkbox"/> Insurance company	#	\$	\$
<input type="checkbox"/> Mortgage investment corporation	#	\$	\$
<input type="checkbox"/> Private lender	#	\$	\$
<input type="checkbox"/> Self Funding (Brokerage, broker, or agent's own funds)	#	\$	\$
<input type="checkbox"/> Trust company	#	\$	\$
<input type="checkbox"/> Other	#	\$	\$
<b>Total</b>			

15e) If you reported mortgage investment corporation(s) as a type of lender, how many MICs funded these mortgages during the reporting period?:

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.

16. Excluding non-qualified syndicated mortgages, for each lender type selected in question 15, provide the name of the lender that funded the greatest percentage of mortgages based on dollar value.

(16a) Type of lender (Name of top lender)	(16b) # of mortgages	(16c) \$ of mortgages
<b>Bank</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Credit union</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Insurance company</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Mortgage investment corporation</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Private lender</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Self-Funding</b> (Brokerage, broker, or agent's own funds)	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Trust Company</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Other</b>	<b># of mortgages</b>	<b>\$ of mortgages</b>
(Max 100 characters)	#	\$
<b>Total</b>		

If MIC or Private Lender is selected, provide the top three lenders based on total dollar value.

16d)

<b>Mortgage investment corporation</b> <i>(Name of top three lenders)</i>	<b># of mortgages</b>	<b>\$ of mortgages</b>	<b>Relationship between the lender to the brokerage, its broker or agents</b> - arm's length relationship - related persons/entities
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)]	#	\$	[Select from list]

16e)

<b>Private lender:</b> <i>(Top three lenders)</i>	<b># of mortgages</b>	<b>\$ of mortgages</b>	<b>Relationship between the lender to the brokerage, its broker or agents</b> - arm's length relationship - related persons/entities
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)	#	\$	[Select from list]

16f)

<b>Self-Funding</b> <i>(Brokerage, broker, or agent's own funds)</i> <i>(Top three lenders)</i>	<b># of mortgages</b>	<b>\$ of mortgages</b>	<b>Who in the brokerage provided the source of funds?</b> - brokerage itself - broker - agent
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)	#	\$	[Select from list]
(Max 100 characters)	#	\$	[Select from list]

"Related persons/entities" includes family members, affiliates, officers, directors, partners, employees, brokers, agents, principal shareholders, etc. of the brokerage.

16g) How many different lenders did the brokerage use to fund mortgages, including the brokerage itself during the reporting period:

17. Excluding non-qualified syndicated mortgages, did the brokerage buy, sell or exchange mortgages during this period?

Yes

No

17a) On behalf of another person or entity?

Yes

No

# of Mortgages

#

\$ of Mortgages

17b) On the brokerage's own behalf?

Yes

No

# of Mortgages

\$ of Mortgages

18. Excluding non-qualified syndicated mortgages, if engaged in mortgage lending activities, provide the total number and dollar value of mortgages funded by the brokerage during the reporting period:

# of Mortgages

\$ of Mortgages

**Mortgage Investment Corporation (MIC)**

Questions 19 to 20 are intended for information gathering purposes only, and not for compliance purposes.

**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.

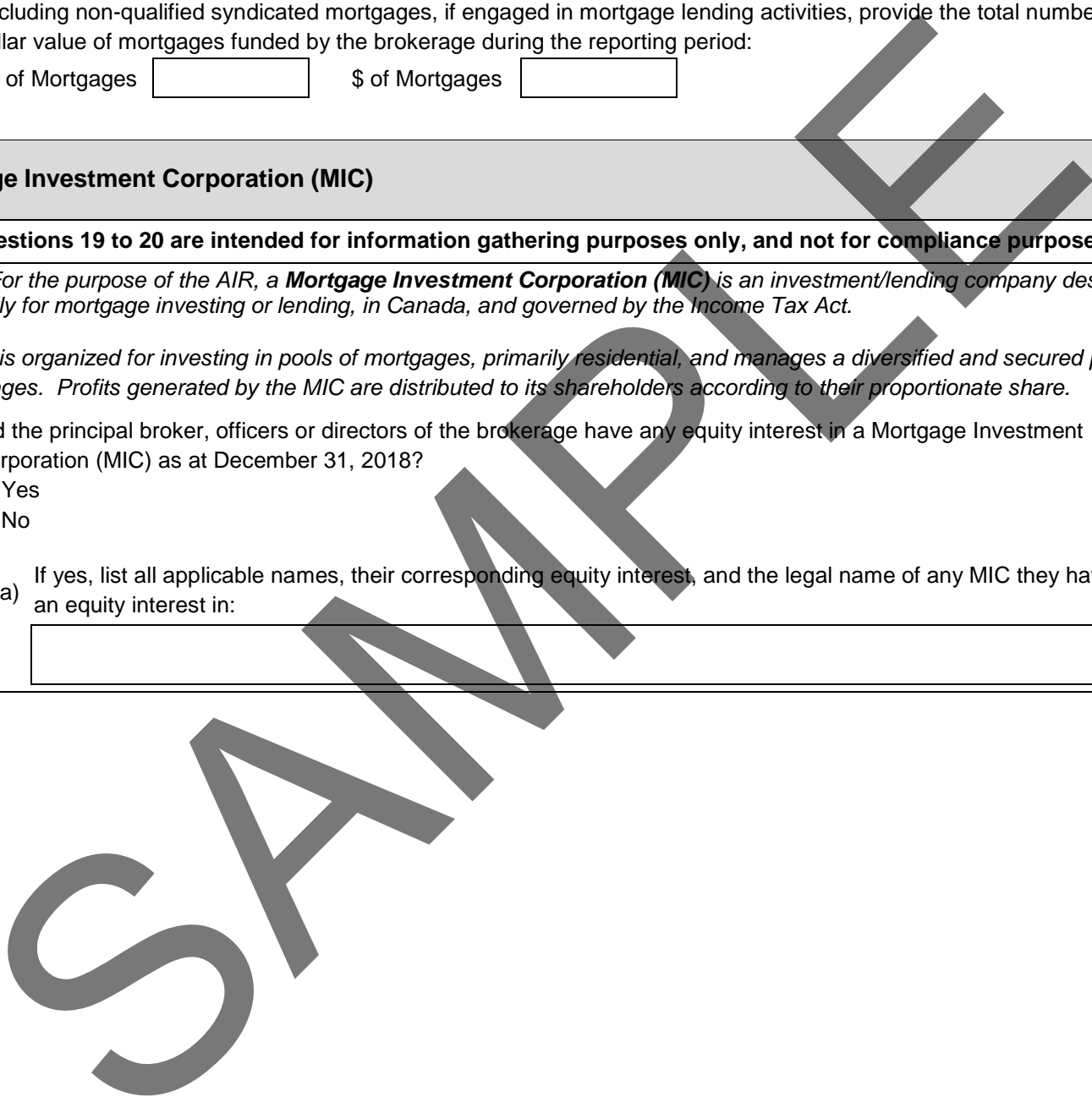
The MIC is organized for investing in pools of mortgages, primarily residential, and manages a diversified and secured portfolio of mortgages. Profits generated by the MIC are distributed to its shareholders according to their proportionate share.

19. Did the principal broker, officers or directors of the brokerage have any equity interest in a Mortgage Investment Corporation (MIC) as at December 31, 2018?

Yes

No

19a) If yes, list all applicable names, their corresponding equity interest, and the legal name of any MIC they have an equity interest in:



20. Did the principal broker, officers or directors of the brokerage hold any management roles in a MIC as at December 31, 2018?
- Yes  
 No

If yes:

20a) List all the names, positions and the legal name of any MIC registered under any securities act of any jurisdiction:

20b) Were any of the MICs fully managed by the principal broker?

Yes  
 No

20c) Were the MIC(s) subject to any legal claims, in any Canadian jurisdiction?

Yes  
 No

20c) i) If yes, provide details:

**Syndication**

(The purpose of these questions is to verify compliance with legal obligations under the MBLAA and to gather marketplace statistics.)

21. Did the brokerage fund any private mortgages?
- Yes  
 No

21a) If yes, complete the following:

# of mortgages	
\$ of mortgages	
# of private lenders	

21b) Based on the value of mortgages, list the top three (3) private lenders that funded the brokerage's mortgage transactions:

Name	# Mortgages	\$ Mortgages
	#	#
	#	#

22. Did the brokerage execute any non-qualified syndicated mortgages (brokered or co-brokered)?
- Yes  
 No

22a) If "Yes", provide the following:

Type of Mortgage	Response (Yes/No)	Total # of Mortgages	Total \$ of Mortgages	Total # of Investors	# of Designated Investors (O. Reg. 188/08, s.2)	Who administers the mortgages?	How many of the total syndications are high ratio, and what's their dollar value?	
							# of Mortgages	\$ of Mortgages
Residential	Yes/No	#	#	#	#		#	#
Commercial	Yes/No	#	#	#	#		#	#
Other	Yes/No	#	#	#	#		#	#

**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 primarily 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.

22b) How many investors did the brokerage have available for non-qualified syndicated mortgages as of December 31, 2018?

22c) Based on the value of mortgages, list the top three (3) syndicates/lenders that funded the brokerage's non-qualified syndicated mortgage transactions:

Name	# Mortgages	\$ Mortgages
	#	#
	#	#
	#	#

22d) Do the private investors/lenders that you represent, participate in non-qualified syndicated mortgage investment products?

- Yes  
 No

22e) Did the brokerage review and confirm the suitability of the non-qualified syndicated mortgage for the investor/lender?

- Yes
- No

If yes, explain how:

If no, explain why:

23. Did the brokerage refer any clients to other licensed brokerages to invest in non-qualified syndicated mortgages?

- Yes
- No

If yes:

23a) How many clients did the brokerage refer?

23b) Provide the \$ amount of compensation received by the brokerage for referring clients to invest in non-qualified syndicated mortgages.


23 c) Does the brokerage have policies and procedures which relate specifically to the referral of clients for the purpose of investing in non-qualified syndicate mortgages. {Yes/No}

Explain:

### Securitization

24. Did the brokerage arrange or participate in arranging any securitization facilities?

- Yes
- No

24a) If yes, complete the following:

# of Instruments

\$ of Instruments


25. Did the brokerage make securitization sales?

- Yes
- No

25a) If yes, complete the following:

# of Mortgages

\$ of Mortgages


**NOTE:** Securitization in questions 24 and 25 means providing mortgages for, or otherwise arranging pools of mortgages in connection with, the creation of mortgage-backed securities.

### Complaints and Complaint Handling

26. Is the person designated to receive complaints at the brokerage the principal broker?

- Yes
- No



26a) If no, name of person designated to receive complaints for the brokerage

27. Total number of written complaints received by the brokerage during the reporting period:

27a) Of the total written complaints received, how many were responded to, as required by legislation?

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

27b) Of the total written complaints received, how many were resolved as at December 31, 2018?

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

27c) Provide the following breakdown for the complaints received:

Complaint Category	# of Complaints	Comments (Provide a brief explanation about the types of complaints received by the brokerage for each category)
<b>1. Administration</b> <i>Complaints regarding administrative practices e.g., failing to return original records, record-keeping, payment schedule problems, contractual disputes (client fees or services) and customer service (client expectations).</i>		
<b>2. Disclosure</b> <i>Complaints regarding disclosure requirements e.g., disclosure of potential conflicts of interest, material risks, or fees as it relates to the mortgage transaction, improper release of personal information.</i>		
<b>3. Marketing &amp; Sales</b> <i>Complaints regarding product suitability, incomplete, inappropriate or misleading public relations material, high pressure sales tactics, tied selling.</i>		
<b>4. Fraud</b> <i>Complaints regarding deceptive or deliberate practices to secure unfair or unlawful gain, e.g., falsifying documents or information related to a mortgage transaction or arrangement, defalcation.</i>		
<b>5. Fees</b> <i>Complaints regarding fees involved in the mortgage brokering transaction e.g., amounts charged to client from brokerage, broker, or agent.</i>		
<b>Total</b>		

### Suitability

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

28. Were any E&O claims made against the brokerage or the brokerage's brokers/agents, in any Canadian jurisdiction, during the reporting period?

Yes

No

If yes:

28a) How many claims were made?

28b) Provide a brief explanation for each claim:

**29.** Were any claims against the brokerage paid by its E&O insurance carrier or bonding company, in any Canadian jurisdiction, during the reporting period?

Yes

No

If yes:

29a) How many claims were paid out?

29b) Provide a brief explanation for each claim:

**30.** Were any claims against the brokerage's brokers or agents paid by its E&O insurance carrier or bonding company, in any Canadian jurisdiction, during the reporting period?

Yes

No

If yes:

30a) How many claims were paid out?

30b) Provide a brief explanation for each claim:

**31.** During the reporting period, was a complaint made against the brokerage to a regulatory body in any Canadian jurisdiction that was based, in whole or in part, in allegations of fraud, theft, deceit, misrepresentation, forgery, or similar conduct?

Yes

No

31a) If yes, provide a brief explanation:

**32.** During the reporting period, was the brokerage fined or were any monetary penalties imposed by any Canadian financial services regulator excluding FSCO?

Yes

No

32a) If yes, provide a brief explanation:

**33.** During the reporting period, did the brokerage have any unpaid fines/monetary penalties owing to any Canadian financial services regulator?

Yes

No

33a) If yes, provide a brief explanation:

**34.** During the reporting period, was the brokerage fined or were any monetary penalties imposed by any Provincial/Federal courts?

Yes

No

34a) If yes, provide a brief explanation:

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

- Yes
- No

35a) If yes, provide a brief explanation:

36. During the reporting period, were any licences the brokerage held from a government agency, regulatory body or professional organization revoked or suspended?

- Yes
- No

36a) If yes, provide a brief explanation

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

- Yes
- No

If yes, provide a brief explanation:

**Reporting Changes**

38a) Did the brokerage open any offices during the reporting period?

- Yes
- No

38a-i) If yes, how many offices were opened?

38a-ii) How many of the total offices opened by the brokerage were open to the public?


38b) Did the brokerage close any offices during the reporting period?

- Yes
- No

38b-i) If yes, how many offices were closed?

38b-ii) How many of the total offices closed by the brokerage were open to the public?


39. Did any of the following information change during the reporting period, and did you report the changes to FSCO by email at [contactcentre@fSCO.gov.on.ca](mailto:contactcentre@fSCO.gov.on.ca): (Check all that apply)

Brokerage Information	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

40. Did your brokerage accept non-monetary incentives from lenders?

- Yes  
 No

If yes:

40a) What kind of incentives?

- Points  
 Trips  
 Gifts  
 Event Tickets  
 Memberships  
 Other

40b) From how many lenders did the brokerage accept non-monetary incentives?

41. Did your brokerage offer credits cards or gifts cards as incentives?

- Yes  
 No

41a) If yes, explain:

42. Did your brokerage have contingency commission (i.e. volume bonus) or payment arrangements with lenders?

- Yes  
 No

42a) If yes, with how many lenders did the brokerage have arrangements?

43. Did your brokerage have tri-party compensation agreements for non-monetary incentives between your brokerage, brokers/agents, and other brokerages?

- Yes  
 No

43a) If yes, explain:

44. How many agents or brokers are remunerated through a personal corporation?

## Referrals

45. During the reporting period, did the brokerage make any referrals to other brokerages?

- Yes  
 No

If yes,

45a) How many referrals did the brokerage make?

46. During the reporting period, did the brokerage receive any referrals?

Yes

No

If yes,

46a) How many referrals did the brokerage receive from other brokerages? # \_\_\_\_\_

46b) Provide the total dollar amount of compensation paid by the brokerage for these referrals. \$ \_\_\_\_\_

46c) How many simple referrals did the brokerage receive from unlicensed entities? # \_\_\_\_\_

46d) Provide the total dollar amount of compensation paid by the brokerage for these simple referrals. \$ \_\_\_\_\_

**Note:** A "simple referral" is defined in subsections 6(4) and 6(5) of the MBLAA and [sections 1 and 2 of Ontario Regulation 407/07](#)

**Attestation by the Principal Broker**

I, \_\_\_\_\_ of  
Print name

\_\_\_\_\_  
Brokerage

**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:** Only the principal broker of the brokerage can submit this Annual Information Return. The above name must match the name on the principal broker's licence.

**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.