



The Mortgage Broker e-Info Newsletter is produced and distributed by the Financial Services Commission of Ontario (FSCO). It provides updates on Ontario's Mortgage Brokerages, Lenders and Administrators Act, 2006, regulations and requirements.

All licensed mortgage brokerages, administrators, brokers and agents in Ontario automatically receive this newsletter from FSCO via the e-mail address provided in Licensing Link.

January 18, 2012

For more information, or to access past issues of this Newsletter, visit FSCO's website at www.fSCO.gov.on.ca.

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Mortgage Broker and Agent Licences need to be renewed before March 31, 2012

All mortgage broker and agent licences will expire on March 31, 2012.

If you are a mortgage broker or agent who wishes to continue conducting mortgage broking activities after March 31, 2012, please contact your brokerage's principal broker and ensure that he/she submits your licence renewal application by this date. If this is not done, you will not be authorized to deal or trade in mortgages.

FSCO's Licensing Link for licence renewals will be available from February 1, 2012 to March 31, 2012. Your brokerage has to begin the renewal process for you. Once this is done, FSCO will send you an electronic link to complete your application. Your brokerage must then approve and submit your application to FSCO.

We recommend that this is done well in advance of the deadline of midnight on March 31, 2012. FSCO staff will be working on Saturday, March 31, 2012, to respond to questions regarding application submissions. The law does not provide for a time extension to Monday, April 2, 2012.

More information on licence renewals will be available in February, 2012. Please monitor your email for updates and information from FSCO.

Re-licensing education is mandatory to renew your licence

All mortgage brokers and agents must complete the MB Re-licensing Education 2012 by March 31, 2012 to renew their licence for the 2012-2014 licensing term.

The course is a five-hour review of how to comply with the law. You can take the course from any of the following FSCO-approved providers:

- [Canadian Association of Accredited Mortgage Professionals \(CAAMP\)](#)



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- [Independent Mortgage Brokers Association of Ontario \(IMBA\)](#)
- [Real Estate and Mortgage Institute of Canada Inc. \(REMIC\)](#)
- [Seneca College of Applied Arts and Technology](#)

For more information on the course and to register, contact the providers directly.

“What will happen to me if I don’t complete the re-licensing course by March 31, 2012?”

- your licence will expire and the law prohibits the renewal of your licence;
- if you attempt to re-apply as a new agent or broker, you will be required to admit your non-compliance, take the re-licensing education by June 30, 2012 and pay the \$800 fee for a new agent or broker licence rather than the \$700 fee to renew your licence;
- you will not be able to deal or trade in mortgages until all of these requirements are met and your new licence is issued;
- your non-compliance will be posted on the FSCO website, be on your permanent business record at FSCO and may be considered should there be complaints or an audit finding against you.

Duties of Principal Brokers

Principal Brokers are required to take all reasonable steps to ensure their brokers and agents comply with the re-licensing requirements, including:

- informing brokers and agents of the requirements and how to comply;
- monitoring who has not completed the course and following up with them to encourage compliance with re-licensing education requirements;
- continuing to follow up during the licence renewal period (February 1, 2012 to March 31, 2012) with those who have not yet complied; and,
- documenting all the steps taken to ensure that brokers and agents comply.

FSCO will monitor compliance. Brokerages with low levels of compliance may be subject to further review by FSCO.

2011 Annual Information Return (AIR)

The 2011 AIR became available at noon on January 16, 2012, through FSCO’s Licensing Link. To enhance clarity and consistency in responses, there are a few minor changes to the questions from the 2010 AIR.

All mortgage brokerages and mortgage administrators licensed between January 1, 2011 and December 31, 2011 are required to complete and submit the AIR, online, by March 31, 2012. Mortgage brokerages and administrators that surrendered their licence between January 1, 2011 and March 31, 2012 or who have received approval to surrender their licence in Quarter 1 of 2012 are not required to submit an AIR as they will not have online access.

FSCO has sent out communications to all brokerages and administrators including links to helpful resources.

*Learn more about
MB Re-Licensing 2012
through our
[Helpful Resources](#)*

*See
[Licensing Overview](#)
for more information*



Update on Compliance Activities

E&O Insurance is a licensing requirement in Ontario.

For a list of providers, refer to FSCO's

[E&O Insurance Providers](#)

2010 Errors & Omission Insurance (E&O) Compliance Audit

FSCO conducted an audit in October 2010 of all licensed mortgage brokerages to verify if they had the required Errors and Omissions (E&O) insurance. *The Mortgage Brokerages, Lenders and Administrators Act, 2006 and Regulations (MBLAA)* requires that all mortgage brokerages and administrators carry E&O insurance in a form approved by the Superintendent.

FSCO has launched regulatory action against 51 non-compliant brokerages.

FSCO has sent Notice of Proposals for revocation of the brokerage licence if the situation warrants and for Administrative Monetary Penalties in the range of \$1500 to \$3000.

FSCO will provide a further update of the enforcement action outcomes, once the regulatory action has been completed.

Mortgage agent course provider audits

FSCO recently concluded its first audit of mortgage agent course providers.

The mortgage agent course was based on an education review with stakeholders and industry practitioners. FSCO developed curriculum standards (Mortgage Agent Qualifying Standards) and approved four providers to deliver the program. The program consists of a course of study followed by a final examination for licensing purposes.

FSCO will be discussing the results of the audits with the course providers.

2010 AIR

FSCO has reviewed the data collected through the Annual Information Return (AIR) for the period January 1, 2010 to December 31, 2010. 87 Per cent of mortgage brokerages and mortgage administrators submitted their AIR by the March 31, 2011 deadline. While this represents a 6% improvement in the AIR compliance compared to 2009, FSCO is looking to achieve full compliance in this area.

As a result of FSCO's reminders to those who did not meet the deadline to comply with the filing requirement, 99 per cent of brokerages and 100 per cent of administrators filed their AIR by May 1, 2011.

Eight mortgage brokerages received penalties in the amount of \$1000.

Based on the data collected, FSCO also made inquiries with a small number of brokerages and administrators where potential compliance/suitability concerns were identified. Most inquiries have resulted in no findings and no further action is required.

A summary of the 2010 AIR results will be available on FSCO's website shortly.



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Get your free copy of the [2012 Smart Calendar](#) now!



The Ministry of Consumer Services (MCS) publishes the Smart Consumer Calendar every year. Each month of the calendar features a different theme and provides tips on how to shop smart, make good purchase decisions and avoid problems with service providers.

FSCO has partnered with MCS to sponsor the month of October 2012 with information on auto scams.

The calendar is available in seven languages.

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