



April 26, 2012

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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.

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

If you did not renew your licence it has expired effective April 1, 2012.

The deadline for all mortgage broker and agent renewal applications for the 2012-2014 licensing term was March 31, 2012. Completion of the Mortgage Broker Re-licensing Education 2012 course was a mandatory condition of the re-licensing.

If you were licensed during the 2010-2012 licensing cycle and did not submit your renewal application by March 31, 2012 but wish to reapply for a licence now, you should proceed as follows:

- If you completed the MB Re-Licensing Education 2012 course (RE) by March 31, 2012, you must submit a new application through your brokerage as a previously licensed applicant, and pay the \$800 fee.
- If you did not complete the RE by March 31, 2012, you must submit a new application through your brokerage as a previously licensed applicant, indicating that you have not completed the RE and, pay the \$800 fee. Before your licence can be issued:
 - FSCO Licensing staff will contact you when your application is received;
 - FSCO will review your application; and,
 - you will be required to enter into a Minutes of Settlement agreement with the Superintendent, admit your non-compliance with the law and agree to complete the RE before July 1, 2012.
 - The Minutes of Settlement 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.

You will not be able to deal or trade in mortgages until you meet all of these requirements and your new licence is issued. There are serious consequences for you and your brokerage, should it be discovered that you were dealing or trading in mortgages while unlicensed.



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Note: Your brokerage has to begin the licensing process for you through Licensing Link. When you complete your application, your brokerage must then approve and submit it to FSCO.

In the coming weeks, FSCO will be auditing successful completion of the MB Re-Licensing Education 2012 course.

2011 Annual Information Return (AIR)

Mortgage brokerages and mortgage administrators licensed between January 1, 2011 and December 31, 2011, were required to complete and submit the AIR, online, by March 31, 2012, as set out in section 2 of [Ontario Regulation 193/08 - Reporting Requirements for Licensees](#) and section 29 of the [Mortgage Brokerages, Lenders and Administrators Act, 2006](#) (MBLAA). Brokerages and administrators that surrendered/received approval to surrender their licence by March 31, 2012 were excluded from this requirement.

FSCO found an overall 4.6 per cent improvement in on-time filing this year compared to last year. However, there is still room for improvement considering compliance in other sectors regulated by FSCO.

FSCO sent out several reminders from January 4th onwards, to all brokerages and administrators, including links to helpful resources.

Brokerages and administrators who have not submitted the 2011 AIR, should do so immediately through [Licensing Link](#), to avoid being subject to further regulatory actions. In addition, they can write to FSCO providing reasons for the late filing, along with other relevant information. FSCO will review the written submission and the Superintendent will take this into consideration before imposing any sanctions. The submission must be received by FSCO before April 30, 2012.

The Superintendent intends to impose an administrative monetary penalty of \$1000 against brokerages/administrators who do not file the required the AIR, in accordance with section 15 of Ontario Regulation 193/08 and section 40 of the MBLAA.

2010 AIR Summary Results

FSCO has reviewed the data collected through the 2010 AIRs and prepared a comprehensive summary of results. The report provides a snapshot of mortgage activities conducted by brokerages and administrators from January 1, 2010 to December 31, 2010.

The data indicates that 856 brokerages (74 per cent of respondents) placed approximately \$80 billion of mortgage business in 2010. Administrators reported \$103 billion worth of mortgages under administration.

305 brokerages (26 per cent of respondents) did not conduct any business during the reporting period. Almost 60 per cent of the inactive brokerages were involved in the Real Estate business. 12 administrators (15 per cent of respondents) had no mortgages under administration in 2010.

The [Report](#) is available on FSCO's website.

Helpful Resources

[Frequently Asked Questions on AIRs](#)

[Sample AIR](#)





Statistics as of April 1, 2012

2012-2014 Licence Renewals:

Application Type	Total Number of Licencees	Total Number Renewed	Renewal Rate
Principal Broker	1173	1058	90%
Mortgage Broker	1514	1338	88%
Mortgage Agent	9707	7657	79 %

2011 Annual Information Returns:

AIR Filings	Mortgage Brokerage AIR			Mortgage Administrator AIR		
	2009	2010	2011	2009	2010	2011
Expected	1,315	1,195	1,149	84	83	88
Filed	974	1,035	1,049	58	71	78
Compliance Rate	74%	87%	91%	69%	86%	89%

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FSCO now has a [Twitter Account](#).

Follow us to get timely and important mortgage brokering sector updates, tips on licensing and registration, and answers to frequently asked questions.

We look forward to hearing from you and welcome any feedback.

Ce bulletin est également disponible en français.

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