

You are protected with new mortgage broker legislation

(NC)—Mortgage brokers and agents play a big role in the borrowing needs of Ontarians. Recent data indicates, for example, that as many as 30 percent of first-time homebuyers use mortgage broker services.

To promote consumer protection, encourage more competition and enhance professionalism in the mortgage brokering industry, the Ontario Government has updated the licensing requirements for mortgage professionals. On July 1, 2008, the new *Mortgage Brokerages, Lenders and Administrators Act, 2006* went into effect. This new legislation requires all businesses and individuals who conduct mortgage brokering activities in the province to be licensed with the Financial Services Commission of Ontario (FSCO). FSCO is an arm's-length agency of the Ministry of Finance and is responsible for regulating the activities of all mortgage brokerages, administrators, brokers and agents throughout the province.

Benefits for you

To become licensed with FSCO, a mortgage broker or agent needs to meet specific education, experience and suitability requirements. Now, for example, all mortgage brokers and agents in Ontario must: be at least 18 years of age; have no criminal record; work for only one mortgage brokerage; meet specific education requirements; conduct all activities in accordance with the new act and

regulations; and be adequately supervised by a principal broker. The principal broker is appointed by the mortgage brokerage, and is responsible for ensuring that the brokerage's employees are adequately supervised, and that requirements are followed.

In addition to individual compliance, this new law makes mortgage brokerages more responsible for the actions of their brokers and agents. It also ensures that individuals working in this sector meet minimum education and experience criteria—and are held accountable for their actions.

For example, under the new act, all mortgage brokerages must be incorporated or formed in Canada, or if a sole proprietor, be a resident of Canada. Mortgage brokerages must have errors and omissions insurance, including coverage for fraudulent acts. These are just a few examples of how the new act is making mortgage brokerages more accountable.

If you would like to make sure that you are dealing with a licensed mortgage professional, a full list of mortgage brokerages, administrators, brokers and agents is available under the *Mortgage Brokers* section of the FSCO website: www.fSCO.gov.on.ca. The website also includes many valuable consumer resources, such as brochures, videos, and answers to frequently asked questions.

- News Canada
Word Count: 383

Ontario mortgage brokers and agents must now be licensed

(NC)—The Government of Ontario has taken an important step recently to enhance consumer protection in the mortgage brokering industry.

As of July 1, 2008, under the new *Mortgage Brokerages, Lenders and Administrators Act, 2006*, all businesses and individuals who conduct mortgage brokering activities in Ontario must be licensed with the Financial Services Commission of Ontario (FSCO). FSCO is an arm's-length agency of the Ministry of Finance and is responsible for regulating the activities of all mortgage brokerages, administrators, brokers and agents throughout the province.

Under the new act, all mortgage brokers and agents now need to meet specific education, experience, and suitability requirements. In addition, the law requires each mortgage brokerage to appoint a principal broker to ensure employees are

adequately supervised and that requirements are followed. As important, the new law makes mortgage brokerages more responsible for the actions of their brokers and agents. The new law is expected to enhance consumer protection, encourage greater competition and increase professionalism in the mortgage brokering industry.

If you would like to make sure you're dealing with a licensed mortgage professional, a full list of mortgage brokerages, administrators, brokers and agents is available under the *Mortgage Brokers* section on the FSCO website: www.fSCO.gov.on.ca. The website also includes many valuable consumer resources, such as brochures, frequently asked questions and videos.

- News Canada
Word Count: 217



How to resolve an issue with your mortgage broker or agent



(NC)—If you have a complaint with your mortgage broker or agent, there are steps you can take:

- Contact the mortgage brokerage that employs the broker/agent to discuss your complaint.
- If your complaint cannot be resolved, get the brokerage's final position in writing.
- Once you receive the final position, you have the option of contacting the Financial Services Commission of Ontario (FSCO) – the government agency responsible for regulating the activities of all mortgage brokerages, administrators, brokers and agents in Ontario. Visit FSCO's website at

www.fSCO.gov.on.ca to download the Mortgage Business Activities Complaint Form. On the form make sure you describe your complaint, why you disagree with the company's position, and include the mortgage brokerage's final position letter. FSCO will review and respond to your complaint.

For more information, visit the FSCO website at www.fSCO.gov.on.ca under the *Mortgage Brokers* section, or call toll-free: 1-800-668-0128.

- News Canada
Word Count: 146

EDITORS: These articles are for use in Ontario only