

MORTGAGE BROKERAGE APPLICATION FORM

Mortgage Brokerages, Lenders and Administrators Act, 2006 “MBLAA”

INSTRUCTIONS FOR COMPLETING APPLICATION

Purpose

Under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* “MBLAA”, a corporation, partnership or sole proprietorship must be licensed as a mortgage brokerage.

Individuals, including directors, officers, partners, directors and officers of corporate partners, employees or agents of a brokerage who are engaged in dealing or trading in mortgages on its behalf must obtain a mortgage broker or mortgage agent licence.

A mortgage broker or agent licence authorizes an individual to work for only one brokerage, named under the licence. An individual cannot be licensed to work for more than one brokerage.

Process

All of the licensing of individuals will be completed electronically via FSCO’s online service – Licensing Link. However, brokerage and administrator licence applications are to be completed in hard copy. This brokerage application must be filed in paper form by delivering or sending it to FSCO. FSCO will send an email acknowledgement upon receipt of application to the email address provided for the Licensing Link Primary User (question 4 on application form).

Once FSCO has reviewed the application, FSCO will send another email to the Licensing Link Primary User identified in the Application, instructing him or her to proceed with applications to licence the brokerage’s principal broker and other brokers and agents. Once the brokerage’s licence has been approved an e-mail will be sent to the principal broker to notify him or her of the brokerage’s licence number. No paper licence will be issued. For additional information on the mortgage broker licensing process see FSCO’s website at www.fSCO.gov.on.ca, click on Mortgage Brokers.

Completing the Form

- Incomplete applications may result in delays in processing the application or in refusal of the application.
- This form must be legible. Please print clearly. This form is filed in paper format only.
- Do not return this form by fax as an **original signature** is required on the attestation section.
- Attachments: Please do not send originals of any documents if supporting information is required.

Fees

- A fee is payable in respect of this application, but **do not attach payment with this application**.
- The brokerage fee will be payable upon submitting the application for a broker's licence for the principal broker to FSCO. Brokers designated by the brokerage as the principal broker will not be required to pay a fee. This is to avoid one person brokerages (sole proprietors and corporations) that represent 50% of the brokerages, from paying a fee twice (as a broker and brokerage).
- The fee for the brokerage, and each of its agents and brokers, will depend on when during the two year licensing cycle the application is submitted:

If an individual applies for a mortgage broker's or mortgage agent's licence that is to take effect at the beginning of a two-year licensing cycle, the individual shall pay a fee of \$550.

If an individual applies for a broker's or agent's licence that is to take effect at anytime other than the beginning of a two-year licensing cycle, the individual shall pay a fee calculated using the formula,

$$A \times \$23$$

where "A" is the number of whole or partial calendar months between the date on which the application is submitted and the beginning of the following two-year licensing cycle.

- To simplify the payment and reconciliation processes brokerages will be required to submit fees on behalf of their agents and brokers.
- The fee for agents and brokers will be paid by the brokerage when submitting their application to FSCO for approval.
- On April 1, 2010, the first full two-year fee of **\$550.00** will be due for licensed agents, brokers, brokerages, and administrators. This fee will cover the period from April 1, 2010 to March 31, 2012. On March 31, 2012, fees will be due again, and so on every two years.

For more information on fees see FSCO's website at www.fSCO.gov.on.ca, click on Mortgage Brokers, then Fees.

Detailed Instructions

Parts A and B of the application must be completed.

PART A – Applicant Information

1. Applicant Information

Complete only one of the items in question 1, depending on the type of the entity:

- A) Corporation
- B) Partnership
- C) Sole Proprietor

State the full legal name of the corporation, partnership or sole proprietor:

- Corporation - the name is the name specified in the articles of incorporation or the latest articles of amendment.
- Partnership - the name is as it appears on the partnership agreement, registered as the firm name with the Ministry of Government and Consumer Services (if different than the full name of the partners). List the names of all partners within the partnership, and the type of partnership.
- Sole Proprietor - the name is the sole proprietor's legal name in Canada (must be a resident of Canada).

In the case of a partnership in which not all partners are individuals, an organizational chart identifying the partners and the structure of the partnership must be provided. In the case of a limited partnership, identify the general partner and each of the limited partners.

For corporate partnerships, list the officers or directors for each partner.

Note: Articles of Incorporation and applicable amendments to the articles (corporation) and partnership agreements, must be submitted to FSCO with the application.

2. Corporation

- a) Corporation Number – provide the corporation number issued by the Ministry of Government and Consumer Services.
- b) Jurisdiction of Incorporation – provide the jurisdiction of incorporation (Federal / Provincial).
- c) Jurisdiction of Formation - If partnership – provide the jurisdiction of formation (Province)

3. Registered Trade Name

If the corporation / partnership / sole proprietor will be conducting business in a name other than, or in addition to its legal name, set the name out here. Under the MBLAA, a brokerage may use one other name than its legal name. The name must be registered to the corporation / partnership / sole proprietor under the *Business Names Act*. If a corporation / partnership / sole proprietor intends to carry on business using a franchise name, the franchise name must be included in the registered trade name. The corporation / partnership / sole proprietor must have authorization from the franchisor to use its franchise name.

Please attach:

- Master Business Licence (which has not expired) issued by the Ministry of Government and Consumer Services
- For Partnerships: a Master Business Licence or other applicable document verifying registration (which has not expired) of the firm name / trade name issued by the Ministry of Government and Consumer Services.
- Letter from franchisor authorizing use of franchise name.

Note: A licence cannot be issued to a corporation / partnership / sole proprietor using a name that is confusingly similar to that of another licensee or is otherwise objectionable on public grounds.

It is an offence for a brokerage to carry on business in a name other than the name in which it is licensed.

4. Number of Officers and Directors

- a) Indicate the number of Officers and Directors the applicant currently has as of the date of the application.
- b) Indicate the maximum number of Directors permitted under the applicant's articles.

Appendix A: Provide the names of all the Officers, Directors, Partners of the Brokerage (if applicable). A Brokerage licence will not be approved until all the declarations are received via FSCO's online service – Licensing Link, and processed by FSCO. The declaration from each individual is required to provide confirmation of suitability for the purpose of licensing the Brokerage.

5. Name of Proposed Principal Broker

Provide the name and email address of the proposed principal broker for the brokerage.

6. Licensing Link Users

Provide the name and email address of the primary Licensing Link user for the brokerage.

Licensing Link is the online application system that will be used by the brokerage to submit applications for its agents and brokers and declarations for any directors and officers. The first application to be submitted to FSCO by the brokerage is the broker application for its principal broker.

Primary User:

The primary user designated by the brokerage is responsible for implementing and exercising security precautions to control access to and use of Licensing Link and password protection. He/she will do so with at least the same degree of care and to the same standards as exercised by the brokerage for the brokerage's own confidential and proprietary information. The primary user shall make certain that only he/she and the other brokerage's administrative users (if any), will be permitted access to and use of the Licensing Link administrative features.

In the event that the primary user becomes aware of any unauthorized access to Licensing Link, he/she shall promptly notify FSCO's Manager, Licensing Compliance. FSCO's Manager, Licensing Compliance shall discontinue the brokerage's access to Licensing Link until security is re-established by the brokerage to the satisfaction of both FSCO and the primary user.

The primary user will be responsible for approving all data entered by him/her or by other administrative users (if any).

The primary user is the central contact for the brokerage on any and all matters related to Licensing Link.

Administrative Users:

The primary user has the ability to provide access to other users. Depending on the security access granted to administrative users by the primary user they can initiate new applications, approve applications for submission to FSCO, initiate / approve renewal applications, and initiate / approve reports regarding change of status. Administrative users can also be provided with access to all the reporting features available on Licensing Link.

7. Principal Place of Business – Ontario

Address in Ontario where the corporation / partnership / sole proprietor will carry out its mortgage brokerage activities and/or maintain its records. A business address cannot be a post office box number.

Note: The brokerage must maintain its records at this address, unless it gets approval for another location from the Superintendent. Under the Act, brokerages must notify FSCO of any change in the address of the principal place of business within 5 days.

8. Mailing Address for Service in Ontario

Under the Act, a licensee must have a mailing address in Ontario that is not a post office box and that is suitable to permit service by registered mail. Under the Act, notices and legal documents from the Superintendent are sufficiently served if delivered or sent to the address for service listed in FSCO's records. If the address is the same as the principal place of business mark the box provided, if different provide the address.

Note: Under the Act, brokerages must notify FSCO of any change in the address for service within 5 days.

9. Business Contact Information

Telephone Number - Set out the business telephone number for contact purposes under the Act.

Note: Under the Act, brokerages must continue to have an operating telephone number, and must notify FSCO of any change to the telephone number within 5 days.

Fax Number - Set out the business fax number (if applicable) for the purposes of communication under the Act.

Note: Under the Act, brokerages must notify FSCO of any change to the business fax number within 5 days (if applicable). Notices and legal documents are sufficiently served or given by the Superintendent if sent by fax to the number listed in FSCO's records.

Web-site Address - Set out the business web-site address (if applicable).

10. Branch Offices

If the corporation / partnership / sole proprietor will have any offices open to the public in Ontario (“branch offices”) other than the principal place of business, list the address, and telephone numbers of the branch offices.

Note: Under the Act, brokerages must notify FSCO of any change in the address of any branch office within 5 days.

11. Other Licences/Registrations

Indicate if the corporation / partnership / sole proprietor has ever been refused a licence or registration, or has had a licence revoked, suspended or cancelled under the Mortgage Brokers Act, or another regulatory regime in Ontario or elsewhere.

12. Bankruptcy

Indicate if the corporation / partnership / sole proprietor has ever been declared bankrupt, made a voluntary assignment in bankruptcy or made a proposal under any legislation related to bankruptcy or insolvency, or if it is currently subject to bankruptcy or insolvency proceedings. If yes, describe the circumstances and indicate if the bankruptcy has been discharged or not. If the bankruptcy has not been discharged, provide a list of the amounts owing, the creditors and the status of the matter.

Supporting documents if required:

- Certified copy of the discharge of bankruptcy
- Copy of the assignment in bankruptcy and creditor list

13. Judgments

Indicate if the corporation / partnership / sole proprietor has any outstanding judgments against it as of the date of the application. If so, describe the circumstances and specify (1) the amount owing at the time of the judgment, (2) amounts currently owing (3) the person to whom the judgment is owing (4) repayment dates and arrangements. The corporation / partnership / sole proprietor need not provide information previously disclosed to FSCO.

14. Convictions

If the applicant is a corporation indicate if it has ever pleaded guilty or been found guilty under the laws of any province, state or country, or if it is currently the subject of any charges.

15. Errors and Omissions Insurance

Under the Act, brokerages must have errors and omissions insurance in an approved form with extended coverage for loss resulting from fraudulent acts, covering the brokerage and its brokers and agents, in place.

Refer to the *Mortgage Brokerages, Lenders and Administrators Act, 2006* section on FSCO’s website at www.fSCO.gov.on.ca, click on Mortgage Brokers, for more information on errors and omissions insurance.

Note: FSCO will be auditing all brokerages to provide proof of errors and omissions insurance.

16. Trust Account

Every brokerage that receives or handles money in trust must have a trust account. All funds held in trust must be maintained separately from the brokerage's own operating funds and held in a trust account, designated as a Mortgage Brokerage trust account, at a bank, credit union, loan and trust company or co-operative credit retail association.

Indicate whether the brokerage is or intends to handle trust funds in connection with the business.

A brokerage must only have one trust account unless it has obtained the Superintendent's approval to open other accounts. If the brokerage wishes to have more than one account, it must complete the Request for Approval for Trust Accounts form.

Any money that is received by a brokerage, directly or indirectly, from a borrower, lender or investor is deemed to be trust funds except money clearly earned for services that have been completed or expenses actually incurred.

Brokerages that receive trust funds are required to file audited financial statements and an auditor's report on the trust account annually, and to conduct monthly trust account reconciliations. Brokerages that have not received any trust funds in the fiscal year must provide a declaration to that effect annually.

17. Finance Companies

To be completed by corporations / partnerships / sole proprietors that are finance companies. As defined in section 7(2) of the Mortgage Brokers and Agents Licensing Regulation, "finance company" means a corporation or partnership, other than a financial institution, that satisfies both of the following criteria:

A material business activity of the corporation or partnership involves making or refinancing loans, or entering into other similar arrangements for advancing funds or credit.

The shares or ownership interests of the corporation or partnership, or of another person or entity with which it is affiliated, are listed on a stock exchange in Canada or outside Canada that is a prescribed stock exchange for the purposes of the *Income Tax Act* (Canada).

A corporation / partnership / sole proprietor that is a finance company must indicate that it is a finance company, and specify the stock exchange on which it or the shares of an affiliate company are listed, and the name of any such affiliate, and their trading code.

If the finance company is affiliated with a company listed on a stock exchange, it must include an organization chart, indicating the structure of the corporate group or partnership.

Attach: Organizational chart showing corporate structure.

PART B – CONSENT AND NOTIFICATION / ATTESTATION

This application must be signed by a corporate signing officer, partner, or sole proprietor of the brokerage. The person signing must declare that the statements, declarations and answers provided, including attachments, are true and complete.

Any false, deceptive or misleading statement or omission in an application or supporting material may result in refusal or revocation of the licence applied for, prosecution or other sanctions.



Mortgage Brokerage Licence Application

Mortgage Brokerages, Lenders and Administrators Act, 2006 "MBLAA"

(For Corporations, Partnerships, Sole Proprietors)

PLEASE PRINT CLEARLY

Please refer to the instructions regarding completing the form

PART A: Applicant Information

1. Choose only one of the following:

A) Corporation (Legal name of the corporation): or

B) Partnership: or Name of the partnership

The Applicant is a:

General Partnership

List the name(s) of the partner(s):

Limited Partnership

List the name of the general partner: List the name(s) of the limited partner(s):

C) Sole Proprietor

Last Name (Legal in Canada): First Name: Middle Name:

2. **a) Corporation #:** **b) Jurisdiction of Incorporation:** **c) If partnership - Jurisdiction of Formation:**

3. **Registered trade name (if applicable):** **Master Business Licence #:** **Master Business Licence Expiry Date:**

4. a) Number of Officers / Directors:	b) Maximum Number of Directors under Articles:
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5. Name of Proposed Principal Broker:			
Last Name (Legal in Canada):	First Name:	Middle Name:	Email Address:

6. Name of Licensing Link Primary User:			
Last Name (Legal in Canada):	First Name:	Middle Name:	Email Address:
<input type="checkbox"/> Same as Proposed Principal Broker above; or			

7. Principal Place of Business Address in Ontario:		
Street Address:	Apt./Unit:	
City:	Province: ON	Postal Code:

8. Mailing Address for Service in Ontario:		
Street Address:	Apt./Unit:	
<input type="checkbox"/> Same as Principal Place of Business Address in Ontario above; or		
City:	Province: ON	Postal Code:

9. Business Contact Information:		Web-site Address (if applicable):
Telephone #: ()	Fax # (if applicable): ()	

10. Branch Offices (use additional sheets if space is insufficient):	
The corporation/partnership/sole proprietor branch offices (if applicable) are listed below:	
Address	Telephone
	()
	()
	()
	()
	()
	()
	()
	()

11. Other Licences/Registrations:

Has the corporation/partnership/sole proprietor had a licence or registration refused, revoked, suspended or cancelled under the Mortgage Brokers Act or another regulatory regime in Ontario or elsewhere? (Check applicable box)

Yes No If Yes, provide details (use additional sheets if space is insufficient):

12. Bankruptcy:

Yes No Has the corporation/partnership/sole proprietor been declared bankrupt, or made a voluntary assignment in bankruptcy, or is it presently party to bankruptcy proceedings? If Yes, provide supporting documents.

Yes No Has the bankruptcy been discharged? If Yes, provide supporting documents.

13. Judgments:

Are there any unpaid judgments outstanding against the corporation/partnership/sole proprietor? (Check applicable box)

Yes No If Yes, submit a copy of each judgment. State amount outstanding and repayment arrangements.

14. Convictions: (Corporations Only)

Has the corporation ever pleaded guilty or been found guilty of an offence under any law of any province, state, territory, or country? Or is the corporation currently subject of any charges? (Check applicable box)

Yes No If Yes, submit details.

15. Errors and Omissions Insurance:

The corporation/partnership/sole proprietor, is required to have errors and omissions insurance in place, including the extended coverage from fraudulent acts. (Refer to the *Mortgage Brokers* section on FSCO's website, for details of acceptable insurance.)

Insurer Name: _____ Policy #: _____ Expiry date: _____

16. Trust Account:

Will the corporation/partnership/sole proprietor be holding trust funds related to mortgage brokering? (Check applicable box)

Yes No If Yes, the corporation / partnership / sole proprietor's fiscal year-end is _____

Month Day

17. Finance Company (as defined in Reg 409/07) - To be completed only by corporations or partnerships that are finance companies.

The corporation or partnership is a finance company listed on the _____ Stock Exchange and its trading code is _____; or _____ is an affiliated entity of the corporation or partnership listed on the _____ Stock Exchange and its trading code is _____.

An organization chart showing the relationship between the corporation or partnership and its affiliate is attached.

Yes No The brokerage is, or is an affiliate of, the lender for all of the mortgages that brokers and agents authorized to deal in mortgages on behalf of the brokerage deal in.

PART B: CONSENT AND NOTIFICATION / ATTESTATION

THE APPLICANT CONSENT AND NOTIFICATION (Pursuant to the Freedom of Information and Protection of Privacy Act, 1987)

I CONSENT, and am authorized by the individuals listed as partners, or directors, or officers, on question 1 of this form, if any, to consent, to the Financial Services Commission of Ontario (FSCO) collecting such personal information as is contained in this application and attachments and such additional information about me and the individuals listed as partners, or directors, or officers, on question 1 of this form, if any, as may be necessary for FSCO to complete and to verify the information contained in the application and attachments and to determine if the applicant is eligible to be licensed and the applicant's continued eligibility to be licensed.

I AUTHORIZE FSCO and am so authorized by the individuals listed as partners, or directors, or officers, on question 1 of this form, if any, to authorize, FSCO to collect personal information necessary to complete and to verify the information given by me in those documents above from any organization, person, corporation, association or any other source which may have information pertinent to the information given by me in those documents.

AND I ALSO CONSENT to the use and disclosure of all such information as is contained on this form or is obtained as a result of verification.

LEGAL AUTHORITY FOR THE COLLECTION - Mortgage Brokerages, Lenders and Administrators Act, 2006, section 13, and to ensure the applicant's continued eligibility to be licensed.

PRINCIPAL PURPOSES FOR WHICH THE INFORMATION IS INTENDED TO BE USED

I UNDERSTAND FSCO will be using the information in this application form and aforesaid attachments:

- to determine whether a licence should be granted under the Mortgage Brokerages, Lenders and Administrators Act, 2006.
- to use and disclose such information for purposes which are consistent with licensing and continued licensing.

THE PUBLIC OFFICIAL WHO CAN ANSWER QUESTIONS ABOUT THE COLLECTION IS:

Manager, Licensing & Registration Analysis
Licensing and Market Conduct Division
Financial Services Commission of Ontario
5160 Yonge Street, 4th Floor, Toronto ON M2N 6L9
Telephone: (416) 250-7250, Toll free: 1-800-668-0128, Fax No.: (416) 226-7838

I confirm that the individuals listed as partners under question 1 of this application, if any, have been notified of personal information disclosed about them in the application and the legal authority for the collection, the principal purpose for which it is intended to be used and the public official who can answer questions about the collection.

ATTESTATION:

Providing false, misleading or incomplete information on this application and/or any attachments requested is an offence under the Mortgage Brokerages, Lenders and Administrators Act, 2006, and doing so may be sufficient grounds to reject the application, revoke a licence, or result in a prosecution or give rise to other regulatory sanctions.

Every individual convicted of an offence under this Act is liable to a fine of not more than \$100,000 or imprisonment for a term of not more than one year or both a fine and imprisonment. Every corporation convicted of an offence under this Act is liable to a fine of not more than \$200,000.

I, the undersigned, do hereby state:

- I am the Sole Proprietor / Applicant, or a Director / Officer / Partner of the applicant for a licence and I am authorized to make this application on the applicant's behalf.
- The statements, declarations and answers to the questions in this application are true, correct and complete.
- I am familiar with the laws of Ontario relating to the licensing of mortgage brokerages and promise to abide by these laws and regulations.
- I understand that any licence issued may be revoked if I have provided false or misleading information in this application.

Licensing Link: The primary user designated by the Brokerage is responsible for implementing and exercising security precautions to control access to and use of Licensing Link. The Brokerage, agrees and acknowledges that access to and use of Licensing Link is restricted to only those Users, as authorized by the Brokerage.

Signature (must be signed by a corporate signing officer, partner or sole proprietor of the brokerage):

Date: _____

Name (please print):

First

Middle Initial

Last

Title / Capacity (Partner / Officer, etc.)

