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An advance application period will commence on March 1, 2008, four months prior to the July 1, 2008 effective date of the new Act.

Watch for more information on Licensing Link in subsequent newsletters

The Mortgage Broker e-Info Newsletter provides updates on the implementation of Ontario's new Mortgage Brokerages, Lenders and Administrators Act, 2006, regulations, and new education requirements for mortgage brokers and agents.

The Newsletter is produced and distributed by the Financial Services Commission of Ontario.

The Mortgage Agent Edition

The new Mortgage Brokerages, Lenders and Administrators Act, 2006, will come into full effect on July 1, 2008. To facilitate the new licensing process, a four-month Advance Application Period (March 1, 2008 to June 30, 2008) has been approved.

During this period, individuals who wish to be licensed as mortgage agents under the new Act need to submit their licensing applications to FSCO. Once approved, a licence will be issued and will be effective on July 1, 2008. Applications received after July 1, 2008 will be processed, and licences issued after review and approval by FSCO.

Licensing Link

Starting March 1, 2008, FSCO's online licensing system, Licensing Link, will process all mortgage broker and agent licensing transactions. All licensing transactions, including: applications, transfers, and name changes for mortgage agents under the new Act will need to be completed online via Licensing Link.

Licensing Link can also be used to confirm or search for the licensing status of a mortgage brokerage, administrator, broker or agent.

The Licensing Link system will be available 24 hours a day, seven days a week.

Applying for a Mortgage Agent Licence via Licensing Link during the Advance Application Period

Your online application process begins after your brokerage and its principal broker have been licensed by FSCO. Your brokerage will start the application process by entering your basic contact information on Licensing Link. (You will need an email address so that the licensing application can be sent to you.) You will then receive an e-mail message containing a link to the electronic application form.

You will need to complete the application and verify your contact information, confirm you have the appropriate education or exemptions, answer past conduct questions, and declare the information you provided is correct. You will need to submit your completed application electronically. It will then automatically be sent through Licensing Link to your brokerage for approval and submission to FSCO. Once it has been submitted, FSCO staff will review your application.

During this process, your brokerage can monitor the status of your application through the company section on Licensing Link.



Once your application has been approved, your name and business information will automatically be included on FSCO's new website listing of licensed agents, starting on July 1, 2008.

If you are a mortgage agent who works for more than one business that is registered with FSCO under the Mortgage Brokers Act, you can only apply through one mortgage brokerage. Agents licensed under the new Act may work for only one mortgage brokerage.

Mortgage Agent Licensing Requirements

In order to be licensed as a mortgage agent, you must:

- be 18 years of age or older,
- be a resident of Canada,
- have a mailing address in Ontario that can receive registered mail,
- be authorized by a mortgage brokerage to deal in mortgages,
- work for only one mortgage brokerage,
- meet or be exempt from the mortgage agent education and equivalency requirements, and
- have a valid e-mail address (this is necessary for the application process).

Mortgage Agent Licensing Criteria

The new Act's regulations require that for each application for a mortgage agent licence, FSCO consider the following:

- Whether your past actions provide reason for believing that you will not deal or trade in mortgages in a lawful or honest way. (This is confirmed by a criminal background check, and your answers to suitability questions such as financial solvency, and prior licensing history in other fields and jurisdictions.)
- Whether you currently are, or will be doing, any business that will not comply with the new Act if you are licensed.
- Whether you have made any false statements on your mortgage agent licence application.

Qualifying for a Mortgage Agent Licence in the Advance Application Period

Only mortgage agents who have been approved for a licence during the Advance Application Period will be authorized to carry out mortgage activities for their mortgage brokerages on July 1, 2008.¹

To obtain a mortgage agent licence under the new Act during the Advance Application Period, you must satisfy one of the following:

Option # 1 - You were duly authorized to act as a mortgage agent for 24 of the past 36 months, as of July 1, 2008. (If your 24 month period includes a period of employment with another broker, you will need to provide confirmation to the current brokerage in the form of a letter of employment, copies of contracts, pay stubs, etc.)

The new Act will require individuals and businesses conducting any of the regulated activities to be licensed by the Financial Services Commission of Ontario.



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¹ For individuals entering the industry after July 1, 2008, different education requirements will apply.

Option # 2 - You successfully completed one of the approved mortgage broker or agent courses:

Course currently being offered:

- Canadian Association of Accredited Mortgage Professionals (CAAMP) - Canadian Mortgage Industry Course
- Independent Mortgage Brokers Association of Ontario (IMBA) - 10 Steps to Becoming a Successful Mortgage Agent
- Ontario Real Estate Association (OREA) - Mortgage Agent Educational Program (consisting of Phase 1, Phase 2, Phase 3 Residential, Phase 3 Commercial, Real Property Law, and Principles of Mortgage Financing)
- Seneca College - Financial Services Underwriting 101 or Financial Services Underwriting 111

Courses previously offered:

- Ontario Mortgage Brokers Association (OMBA) - Mortgage Brokers Course before 1995
- Seneca College - Mortgage Brokers Program in 1994, 1995, 1996, 1997 or 1998.

(Confirmation is given to your brokerage and may be in the form of certificates and/or transcripts.)

Option # 3 - You have less than 24 months experience and no approved mortgage agent education as of your application. (A conditional licence will be issued subject to you making a declaration on the agent application form that you will successfully complete an approved mortgage agent course before 2010.)

Special Circumstances for Mortgage Agents Employed by Finance Companies

If you are a mortgage agent employed by a finance company², your mortgage brokerage must start an electronic application on your behalf. If you want to be licensed as of July 1, 2008, you must apply for a mortgage agent licence during the Advance Application Period.

You are exempt from the educational requirements under the new Act, as long as you continue to work for a finance company that is also a licensed mortgage brokerage.

If you wish to transfer to a mortgage brokerage that is not a finance company, you must successfully complete and pass the required mortgage agent course and exam before transferring to the new brokerage.

² "Finance company" as defined in regulation 409/07 of the Mortgage Brokers Lenders and Administrators Act, 2006.



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Key Dates for Mortgage Agents

March 1, 2008

- Start of Advance Application Period.

March 1, 2008 to June 30, 2008

- Agent applications submitted to FSCO, through the brokerage, via Licensing Link.
- FSCO reviews/approves licensing applications.
- Approved licensing applications receive a licence number.
- FSCO informs agents of their new licence numbers by e-mail.

July 1, 2008

- New Act comes into full effect.
- All licences take effect.
- Any person or entity carrying on the regulated business, or any individual engaging in regulated activity, must be licensed with FSCO unless an exemption applies. (For information on exemptions please visit FSCO's Mortgage Brokers Frequently Asked Questions web page at www.fSCO.gov.on.ca.)
- FSCO's registry of licensed agents is available online on FSCO's website. No hard-copy licences will be issued.

Frequently Asked Questions

Q: I am a real estate salesperson. If I apply for a licence during the advance application period, do I have to take an approved course for mortgage agents?

A: Yes. The following real estate courses have been approved for mortgage agent education during the advance application period: Ontario Real Estate Association Phase 1, Phase 2, Phase 3 Residential, Phase 3 Commercial, Real Property Law, and Principles of Mortgage Financing.

Q: I currently work as a mortgage agent/broker for multiple mortgage brokers. Can I apply for a licence with each business?

A: No. The Mortgage Brokerages, Lenders and Administrators Act, 2006, states that a mortgage broker or agent can only work for one mortgage brokerage. You will need to decide which brokerage you wish to work for, and have the brokerage submit an application for a licence on your behalf, during the Advance Application Period.

Q: How can I get an e-mail address?

A: You can obtain an e-mail address through a free e-mail provider on the Internet, or your Internet service provider.



Frequently Asked Questions (continued)

Q: I currently work as a mortgage agent for a registered mortgage broker. What happens if I do not apply for a mortgage agent licence under the new Act, during the Advance Application Period?

A: If you apply for a mortgage agent licence after July 1, 2008, you must complete and pass an approved new mortgage agent course before applying for a mortgage agent licence. You cannot work as a mortgage agent as of July 1, 2008, unless you have a mortgage agent licence.

Q: What will the licensing fees be under the new Act?

A: As FSCO reviews licensing fees under the new Act, FSCO will ensure that the fees are fair and reflect the use of regulatory resources. At this time, FSCO does not anticipate any significant change in licensing fees for the mortgage broker sector.

Q: I work for a financial institution. Do I need to apply for a mortgage agent licence during the Advance Application Period?

A: No. Employees of financial institutions, such as banks, credit unions and insurance companies are exempt from licensing under the new Act when acting on behalf of their employer.

Q: What is FSCO's screening process for agents?

A: To ensure all licence applicants are suitable to deal with the public, FSCO conducts criminal background checks (CPIC) during the application process, and reviews each applicant's professional and educational background to ensure they meet the Act's requirements.

Applicants will respond to a variety of questions on the application form. The principal broker will be expected to take reasonable steps to ensure that the agent meets the requirements to be licensed.

Q: Why is FSCO changing to an electronic application process?

A: The new electronic application process is accessible 24 hours a day. The system makes filing an application faster and easier, and incorporates checking processes to ensure your application is properly completed before being submitted.

Licensing Link immediately updates agent information on FSCO's website, providing you, your brokerage, and the public with up-to-date information on the status of your licence.

The electronic application system is an important cost-controlling mechanism.

To access a list of Frequently Asked Questions, visit FSCO's website at <http://www.fSCO.gov.on.ca/english/regulate/mortgagebrokers/faqs/default.asp>.



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Industry Conferences

Visit the websites of the Independent Mortgage Brokers Association (www.imba.ca) and the Canadian Association of Accredited Mortgage Professionals (www.caamp.org) for information on upcoming conferences and seminars where the new Act will be discussed.

FSCO intends to be at many, if not all, of these events.



Future Newsletters

- What Brokers, Brokerages and Administrators will need to know to become licensed (application process, forms, required supporting material, etc.)
- Agent & Broker Education Update
- Licensing Exemptions
- Licensing Fees
- Information Sessions (February/March 2008)
- Information on regulations:
 - Standards of Practice for Brokerages, Administrators, Agents and Brokers
 - Administrative Penalties, Filing Requirements
- Using Licensing Link

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