



REMIC Feedback to FSRA on the
Guidance document, "MB0054INT"

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Introduction

REMIC is pleased to provide the following feedback on the Guidance document “MB0054INT.” Our feedback includes three minor suggestions as this document is, in our opinion, an excellent piece of legislative guidance.

REMIC fully supports the crystallization of guidance regarding licensing suitability, and commends FSRA for its detailed, thoughtful approach in doing so.

REMIC believes that this undertaking is in line with, and REMIC fully endorses, FSRA’s dedication to consumer protection. We appreciate the continued efforts of FSRA to provide further guidance in matters of legislation.



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SPECIFIC FEEDBACK

After reviewing the Guidance document, “MB0054INT,” REMIC has the following feedback:

1. Interpretation Section, Licensing suitability under the MBLAA.

In Ontario, “a person who solicits for real property loans, provides borrower information to potential lenders, assesses borrowers, negotiates or arranges mortgages for others, or solicits, buys, sells, exchanges mortgages for themselves or others”[2]

Recommendation

The above section is in quotes, however there no section in the MBLAA that matches the quoted section. The footnoted section of the MBLAA does not include that exact language. The section in quotes appears to be a combination of sections 2 and 3. For the purpose of accuracy we recommend removing the quotes.

2. False statements or false information

Section 45(1) of the MBLAA states that, “No person or entity shall give false or misleading information to the Chief Executive Officer or a person designated by the Chief Executive Officer in respect of any matter related to this Act or the regulations.”

Recommendation

It is our opinion that this section of the Guidance could be strengthened to state that unless a valid reason can be provided, a false statement is grounds for license refusal, since a contravention of section 45(1) is considered an offence per section 48(1).

3. Mortgage brokerage statutory obligations with respect to agent and broker licensing suitability

“A brokerage is required to report to FSRA if it believes there may be reasonable grounds that a broker or agent is not suitable to be licensed under the MBLAA.[21]”

Recommendation

It is our opinion that this section should include language that reflects that this is a requirement at any point, as is stated in the “Rationale and background section.” In other words, not just at the time of licensing or renewal. It is our opinion that It is important to reiterate that oversight is an ongoing responsibility. It is our opinion that some brokerages do not perform oversight to the extent that is required to ensure that a licensee is suitable on an ongoing basis.