



Financial Services Regulatory  
Authority of Ontario

## Mortgage Administrator Annual Information Return for 2019

*Mortgage Brokerages, Lenders and Administrators Act, 2006*

### General Information

Legal Name of Administrator:

Other Authorized Name:

Contact Person

Administrator Licence Number:

Business Type:

Contact Name:

CRA business number for the administrator (9 digit):

The administrator does not have a CRA business number. ☐

Comment:

Principal place of business address

Street Address:

Apt. / Unit:

City:

Province:

Postal code:

Mailing Address (Check if same as above) ☐

Street Address:

Apt. / Unit:

City:

Province:

Postal code:

Phone Number:

Fax Number:

Principal Representative E-mail address:

Consumer complaints E-mail address:

\*Please indicate the email address to which consumers should direct complaints and/or general inquiries. This email address may be posted on the public register, and may be provided to the public for the purposes of contacting the administrator.

**NOTE:** If any of the above information has changed, notify the Financial Services Regulatory Authority of Ontario (FSRA) by email at: [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca)

Welcome to the 2019 Annual Information Return (AIR). The Financial Services Regulatory Authority of Ontario (FSRA) uses the information you provide in the AIR to help identify, assess and monitor risk in the mortgage brokering sector. The deadline to file the AIR is by March 31, 2020. The reporting period is January 1 to December 31, 2019; you must file even if you did not conduct any business during the reporting period.

## **BEFORE YOU PROCEED**

Only the Principal Representative of the licensed mortgage administrator can complete and submit the AIR. If you fail to file the AIR on time, FSRA may take steps to suspend or revoke your mortgage administrator licence. You may also be subject to an administrative monetary penalty. Any missed deadline will be noted on your file, which may increase the level of future enforcement action taken by FSRA

## **WHAT YOU NEED TO COMPLETE THE AIR**

- Recommended internet requirements (Internet Explorer 11; secure high-speed internet connection; JavaScript, cookies, pop-ups, 128-bit encryption and security protocol TLS 1.2 enabled).
- Administrator licence number
- Errors and omissions policy number and expiry date
- Total number and location of offices in Canada
- Dollar value of mortgages administered in Canada, by region
- Download and review the Sample Questionnaire in advance to determine what additional information you may need.

**Note:** Consistent with FSRA's role in deterring deceptive or fraudulent conduct, practices and activities by the regulated sectors pursuant to s.3 (1)(g) of the Financial Services Regulatory of Ontario Act, 2016, FSRA collaborates with other organizations, including fraud prevention organizations and law enforcement agencies, to help combat unlawful activity. Please be advised that the information you provide in the AIR may be shared with such organizations.

**On average, entering information for the AIR online will require approximately 60 minutes to several hours to complete. Should you require additional time, you may return at a later time and date to complete the AIR. It is recommended that you complete each page to ensure your data is saved properly.**

**If you have finished reading and understand the instructions, please proceed to the next page to begin.**

## Administrator Information

a. E&O Insurance Provider

- ☐ AIG Insurance Company of Canada
- ☐ Chubb Insurance Company of Canada
- ☐ CUMIS General Insurance Company
- ☐ Encon Group Inc.
- ☐ Intact Insurance Company (Western Division)
- ☐ International Insurance Company of Hannover Ltd. (A.M.Fredericks Underwriting Management Ltd.)
- ☐ Liberty International Underwriters, (Liberty Mutual Insurance Company)
- ☐ Lloyd's Underwriters through RDA Inc.
- ☐ Lloyd's Underwriters through Holman Insurance Brokers Ltd.
- ☐ Lloyd's Underwriters through Special Risk Insurance Managers Ltd.
- ☐ Lloyd's Underwriters through Evolution Insurance Inc.
- ☐ Lloyd's Underwriters (Canadian Mortgage Brokers Association Sponsored Program)
- ☐ Lloyd's Underwriters as arranged by Trinity Underwriting Managers
- ☐ Royal & Sun Alliance Insurance Company of Canada
- ☐ Sovereign General Insurance Company
- ☐ Sovereign General Insurance through Premier Canada Assurance Managers Ltd.
- ☐ Zurich Insurance Company Limited
- ☐ Other

a. (i) Indicate the liability limits under your current E&O Policy.

**Per Occurrence**

- ☐ \$500,000
- ☐ \$1,000,000
- ☐ Other – Specify Amount:

**Per Annual Aggregate**

- ☐ \$500,000
- ☐ \$1,000,000
- ☐ Other – Specify Amount:

{ii} Policy Number:

(iii) Expiry Date:

b. What is the administrator's designated fiscal year end?

c. Did the administrator file financial information pursuant to O. Reg. 193/08 s. 3?

- ☐ Yes
- ☐ No

(i) If Yes, what date?

If not filed within 90 calendar days from the designated fiscal year-end, explain why?

(ii) If No, provide an explanation:

d. If the administrator has an brokerage licence, enter the brokerage licence number here:

**Trust Account Information**

The purpose of these questions is to verify compliance with legal obligations under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA).

1. Did the administrator have a trust account(s) under the MBLAA?
  - ☐ Yes
  - ☐ No
- 1a) If No, Explain:
- If Yes:
- 1b) If How many MBLAA trust accounts did the administrator have as at December 31, 2019?
- 1c) Of the total number, how many MBLAA trust accounts did the administrator open during the reporting period?
- 1c/i) Did the administrator obtain prior written consent from the FSRA Chief Executive Officer pursuant to O. Reg. 189/08, s. 34 (2)?
  - ☐ Yes
  - ☐ No
- 1c/ii) If no, explain why?
- 1d) Did the administrator reconcile all of its MBLAA trust accounts?
  - ☐ Yes
  - ☐ No
- 1d/i) If no, explain why?
- 1e) Was interest earned from monies on deposit in your trust account fully credited to the buyer/investor?
  - ☐ Yes
  - ☐ No
- 1e/i) If no, explain why?
2. Was there a shortfall, at any time, in any of the MBLAA trust accounts?
  - ☐ Yes
  - ☐ No

If yes, provide the following information:

Date	Amount	Corrected	When	Reported to the FSRA CEO	Comment
	\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Other shortfalls:

**Supervision of Operations**

The purpose of these questions is to determine whether the administrator's operations are organized in a way that facilitates supervision and to facilitate examination/inspection planning by FSRA.

3. Indicate the total number of owners of the administrator, including any Directors and Officers, as at December 31, 2019.

- ☐ Select 1 to 10  
☐ 10+  
☐ publically traded company

List any owners of the administrator, other than the Directors or Officers, as at December 31, 2019.

If more than five, list the top five owners, based on the greatest percentage of ownership. If the administrator is a publically traded company, insert "Shareholders" in the "Owner's legal name" column.

Owner's legal name	Percentage owned
	%
	%
	%
	%
	%

- 3b) Where was the administrator's head office/headquarters in Canada as at December 31, 2019?

- ☐ Alberta  
☐ British Columbia  
☐ Manitoba  
☐ New Brunswick  
☐ Newfoundland and Labrador  
☐ Nova Scotia  
☐ Northwest Territories  
☐ Nunavut  
☐ Ontario  
☐ Prince Edward Island  
☐ Quebec  
☐ Saskatchewan  
☐ Yukon

NOTE: For the purpose of the AIR, "head office" is defined as: "A place of business where a broker or agent spends more than 50% of his or her time working on mortgage brokering, including home offices."

4. Provide the total number of offices for each Ontario region as at December 31, 2019 as applicable:

Ontario Region	# of Offices	# of Offices with a Broker**
Toronto (M)		
Central Ontario (Excluding Toronto) (L)		
Eastern Ontario (K)		
Northern Ontario (P)		
Southwestern Ontario (N)		
Total # of Offices		

\*\* Licensed broker assigned to office in a supervisory capacity

NOTE: Include your head office as well as all additional offices that are open to the public.

5. Did the administrator administer mortgages in other Canadian provinces / territories?

- ☐ Yes  
☐ No

5a) If Yes, Provide the total number (#) and dollar value (\$) of mortgages administered outside of Ontario

(5a/i) Total # of Mortgages

(5a/ii) Total \$ value of mortgages:

## Portfolio Details / Information

(The purpose of these questions is to gather marketplace statistics)

6. Provide the following information on the administrator mortgage portfolio during the reporting period

6a	Total # of mortgages under administration	
6b	Total \$ value of mortgages under administration	\$ _____ .00
6c	Total # of investors the administrator transacted with during the reporting period	
6d	Total # of mortgages in arrears	
6e	Total \$ value of mortgages in arrears	\$ _____ .00
6f	Total # of mortgages in arrears where foreclosure/power of sale proceedings commenced	
6g	Total \$ value of mortgages in arrears where foreclosure/power of sale proceedings commenced	\$ _____ .00

7. Did the administrator operate a Mortgage Investment Corporation (MIC) during the reporting period?:  
☐ Yes  
☐ No

NOTE: For the purpose of the AIR, a Mortgage Investment Corporation (MIC) is an investment/lending company designed specifically for mortgage investing or lending, in Canada, and governed by the Income Tax Act.

8. Did the administrator administer any private mortgages?  
☐ Yes  
☐ No

8a) If yes, complete the following

# of mortgages:

\$ of mortgages:

# of private investors:

- 8b) List the top three (3) private lenders the administrator administered for based on the value of mortgages:

Name	# Mortgages	\$ Mortgages
		\$ _____ .00
		\$ _____ .00
		\$ _____ .00

9. Did the administrator administer any non-qualified syndicated mortgages?.

- ☐ Yes  
☐ No

9a) If Yes, complete the following:

# of mortgages:

\$ of mortgages:

# of private investors:

9b) List the top three (3) syndicates/lenders the administrator administrated for based on the value of mortgages:

Name	# Mortgages	\$ Mortgages
		\$ .00
		\$ .00
		\$ .00

**Qualified syndicated mortgage:** A syndicated mortgage that meets all of the following criteria:

- 1) It is negotiated or arranged through a mortgage brokerage.
- 2) It secures a debt obligation on property that,
  - i) is used primarily for residential purposes,
  - ii) includes no more than a total of four units, and
  - iii) if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.
- 3) At the time the syndicated mortgage is arranged, the amount of debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.
- 4) It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
- 5) The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

*A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.*

**Non-qualified syndicated mortgage:** A syndicated mortgage which does not meet the requirements of a qualified syndicated mortgage.

9c) Does the administrator have in place, policies and procedures which relate specifically to the disbursement of funds for a non-qualified syndicated mortgage?

- ☐ Yes  
☐ No

If No, Explain:

## Records Information

10. What format were your required records stored in? (check all that apply)

- ☐ Electronic  
☐ Paper

10a) Were the required records retained at the administrator's principal place of business in Ontario?

- ☐ Yes  
☐ No

If No, You are required to notify the FSRA Chief Executive Officer if records were kept at a different location. (O. Reg. 193/08, s.5)

Confirm you have complied with this requirement.

☐ Yes

☐ No

## Unimpaired Working Capital

11. You are required to maintain \$25,000 of unimpaired working capital or such other arrangement as approved by the FSRA Chief Executive Office at all times throughout the year.

Confirm that you have complied with this requirement.

☐ Yes

☐ No

If No, Explain:

## Complaints and Complaint Handling

12. Is there a person(s) designated to receive complaints for the administrator?

☐ Yes

☐ No

13. Total number of written complaints received by the administrator during the reporting period:

- 13a) Of the total written complaints received, how many were responded to, as required by legislation?

NOTE: The administrator must respond, in writing, to all written complaints that are received.

- 13b) Of the total written complaints received, how many were resolved as at December 31, 2019?

NOTE: For the purpose of the AIR, “resolved” means that the administrator has addressed and responded in writing to all concerns raised by the complainant.

## Suitability

The purpose of these questions is to help determine if the mortgage administrator is suitable to continue to be licensed

14. Were there any E&O claims made against the administrator during the reporting period in any Canadian jurisdiction?

☐ Yes

☐ No

If yes:

22a) How many claims?

15. During the reporting period, was a complaint made against the administrator to a regulatory body in any Canadian jurisdiction that was based, in whole or in part, in allegations of fraud, theft, deceit, misrepresentation, forgery, or similar conduct?



- ☐ Yes
- ☐ No

15a) If yes, provide a brief explanation:

- 16.** During the reporting period, was the administrator fined or were any monetary penalties imposed by any Canadian financial services regulator excluding FSRA?
- ☐ Yes
  - ☐ No

16a) If yes, provide a brief explanation:

- 17.** During the reporting period, did the administrator have any overdue fines/monetary penalties owing to any Canadian financial services regulator excluding FSRA?
- ☐ Yes
  - ☐ No

17a) If yes, provide a brief explanation:

- 18.** During the reporting period, was administrator subject to any charges laid under the laws of any Canadian province/territory?
- ☐ Yes
  - ☐ No

18a) If yes, provide a brief explanation:

- 18b) During the reporting period, was the administrator fined or otherwise sanctioned by any Provincial/Federal courts?
- ☐ Yes
  - ☐ No

If yes, provide a brief explanation:

- 19.** During the reporting period, were any licences the administrator held from a regulatory body/professional organization revoked or suspended?
- ☐ Yes
  - ☐ No

If Yes, provide a brief explanation:

- 20.** Did the administrator conduct any other business from the business' premises?
- ☐ Yes
  - ☐ No

20a) If yes, describe:

- 20b) During the reporting period, was the administrator named in a lawsuit (Statement of Claim, Counterclaim or Third-party Claim) If yes, provide a brief explanation:
- ☐ Yes
  - ☐ No

20c) If yes, provide a brief explanation:

## Reporting Changes

21. Did any of the following information change during the reporting period, and did you report the changes to FSRA by email at [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca): (Check all that apply)

Administrator Information	Changed?	Reported?
Address for Service	<input type="checkbox"/>	<input type="checkbox"/>
Address of Principal Place of Business	<input type="checkbox"/>	<input type="checkbox"/>
Email, Phone or Fax	<input type="checkbox"/>	<input type="checkbox"/>
Officers or Directors	<input type="checkbox"/>	<input type="checkbox"/>
Partners in Partnership	<input type="checkbox"/>	<input type="checkbox"/>
E&O Insurance	<input type="checkbox"/>	<input type="checkbox"/>
Open/Closed Offices	<input type="checkbox"/>	<input type="checkbox"/>

## Attestation

I \_\_\_\_\_, \_\_\_\_\_ of  
 Print Name Title of Position at the Administrator

\_\_\_\_\_  
 The Administrator

### CERTIFY THAT:

I am aware that it is an offence to make a false statement to the FSRA Chief Executive Officer under the Mortgage Brokerages, Lenders and Administrators Act, 2006, and that the information provided in this Annual Information Return is true to the best of my knowledge and belief.

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

**NOTE:** This Annual Information Return can only be completed by a sole proprietor, a general partner of a partnership or an officer of a corporation.