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Public Alert – Unlicensed Syndicated Mortgage Brokering Activity

June 16, 2014

The Financial Services Commission of Ontario (FSCO) is warning consumers that it has received complaints about some websites promoting syndicated mortgage investments. The businesses operating these specific websites are not licensed or registered to conduct this activity in Ontario.

These websites may refer to the investments as "pooled mortgage investments" or "principal secured investments". These websites, along with their online ads, may guarantee high rates of return, secured by real estate, and claim to be RRSP and LIRA eligible.

Consumers should exercise caution if they are contacted by any entity matching this description. Consumers should also be aware that all mortgage brokerages, brokers and agents in Ontario are required to disclose the material risks of any mortgage investment to investors in writing and in plain language. Investors should ensure they receive this disclosure and should carefully review it, ideally alongside independent legal advice, before making an investment or lending decision.

If consumers arrange a mortgage from a mortgage brokerage, broker or agent that is not licensed in the province, they are not protected under the [Mortgage Brokerages, Lenders and Administrators Act, 2006](#) , which holds Ontario's mortgage brokerages, administrators, brokers and agents to specific standards.

FSCO's website contains a [list of all mortgage brokerages, administrators, brokers and agents](#) licensed to do business in Ontario as well as tips on [shopping around for a mortgage](#).

A licensed Ontario mortgage brokerage, administrator, broker or agent can provide information and advice on the risks involved in borrowing, lending or investing for different mortgage products.

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ADDITIONAL INFORMATION

[What to Do If You Think You are a Victim of a Scam or Fraud](#)

