

Proposed FSRA Guidance: Use of Team Names in the Mortgage Brokering Sector

The logo for the Financial Services Regulatory Authority of Ontario (FSRA) features the letters "FSRA" in a large, bold, blue sans-serif font.

Financial Services Regulatory
Authority of Ontario

Date: March 26, 2025

Speakers:

Gina Stephens, *Director - Mortgage Brokering Conduct, FSRA*

Jennie Hodgson, *Senior Manager – Mortgage Brokering Conduct, FSRA*



Ontario

Introducing the Presenters:

Presenters: **Gina Stephens, Director – Mortgage Brokering Conduct**
 Jennie Hodgson – Senior Manager, Mortgage Brokering Conduct

Moderator: **Cheryl Szutu, Senior Manager – Mortgage Brokering Conduct**

Agenda

- Introductions
- Land Acknowledgement
- Context
- Principles Based Regulation (PBR) Approach
- Overview of the Proposed Team Names Guidance
- Illustrative Examples of Compliant and Non-Compliant Use of Team Names
- Questions
- Next Steps



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Land Acknowledgement

We acknowledge the land we are on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishinaabe (ah-nish-naw-bek), the Chippewa, the Haudenosaunee (hoodt-en-oh-show-nee) and the Wendat Peoples and is now home to many diverse First Nations, Inuit and Métis Peoples. We acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit and the Williams Treaties signed with multiple Mississaugas and Chippewa bands.

FSRA is consulting on proposed Guidance that would clarify FSRA's interpretation of advertising provisions under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA) to ensure:

- Consumers can **easily identify a responsible brokerage in advertising** that uses team names
- Team names are **used clearly and consistently** across the sector

This Guidance supports obtaining good outcomes for consumers and aligns with FSRA's principles-based approach.



FSRA's approach to PBR:

- focuses on setting **high-level regulatory outcomes** rather than prescribing detailed rules
- promotes **industry innovation and accountability** and **reduces regulatory burden**, while ensuring **consumer protection** is the top priority



The Team Names Guidance is aligned with FSRA's PBR approach, because it:

- Allows the use team names, as long as they do not mislead consumers or suggest independent licensing
 - This outcome-based approach balances industry innovation with consumer protection
- Requires principal brokers to authorize and monitor the use of team names, ensuring regulatory compliance without unnecessary restrictions
 - This reflects FSRA's risk-based supervision, where the level of oversight is proportional to potential consumer harm
- Involves industry consultations to ensure regulatory expectations are practical and effective
 - This stakeholder engagement creates clear, adaptable, and consumer-friendly regulations

PBR enables FSRA to protect consumers while fostering a competitive and innovative mortgage brokering sector.

Overview of Proposed Team Names Guidance

What are “Team Names”?

A **team name** refers to a name used in advertising that represents one or more individuals working together as a group within a mortgage brokerage.

- There may be more than one team operating within a brokerage. A team typically consists of mortgage agents and/or brokers.
- A team may also include unlicensed individuals to assist the agents and brokers with business aspects that do not require licensing (e.g., scheduling, data entry).



While mortgage transactions are ultimately completed under the brokerage's name, stakeholders suggest that **consumers may prefer to work with familiar team members** (e.g., familiar names and brands).

- This may be especially true in markets where shared language and culture can better inform and support consumers' financial decision-making.

The current **use of team names in the sector is inconsistent.**

- Without guidance for the use of team names, this lack of clarity could result in consumer confusion about the brokerage that is accountable to the consumer.

FSRA's guidance would help to **ensure that a consumer is aware that the team works for a brokerage** and that the brokerage has ultimate accountability for the team's conduct and for their mortgage transactions.

Proposed Criteria for the Use of Team Names

When determining whether licensees are using team names in a manner **compliant with the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)***, FSRA's considerations include, but are not limited to, the following factors:

- The team name is used alongside the brokerage's authorized name and licence number, and the licensee's name with their authorized title.
- The team name does not present or appear as if it is an independently licensed brokerage.
- All mortgage documentation is completed using only the authorized name of the brokerage and signed using the licensee's name, as required.



Proposed Criteria for the Use of Team Names (cont'd)

There is **prominent disclosure**. Licensees must ensure consumers can easily identify the authorized name and licence number of the authorizing brokerage.

- The authorized name and licence number of the authorized brokerage should not be less prominent than a team name.
- Where agents and brokers are also listed in a brokerage's public relations materials, the agents' and brokers' licensee names and licence types (e.g., broker, agents level 1 or 2) must be included.



Proposed Criteria for the Use of Team Names (cont'd)

The **principal broker** of the authorizing brokerage approves the team name(s) used by licensees and monitors their use.

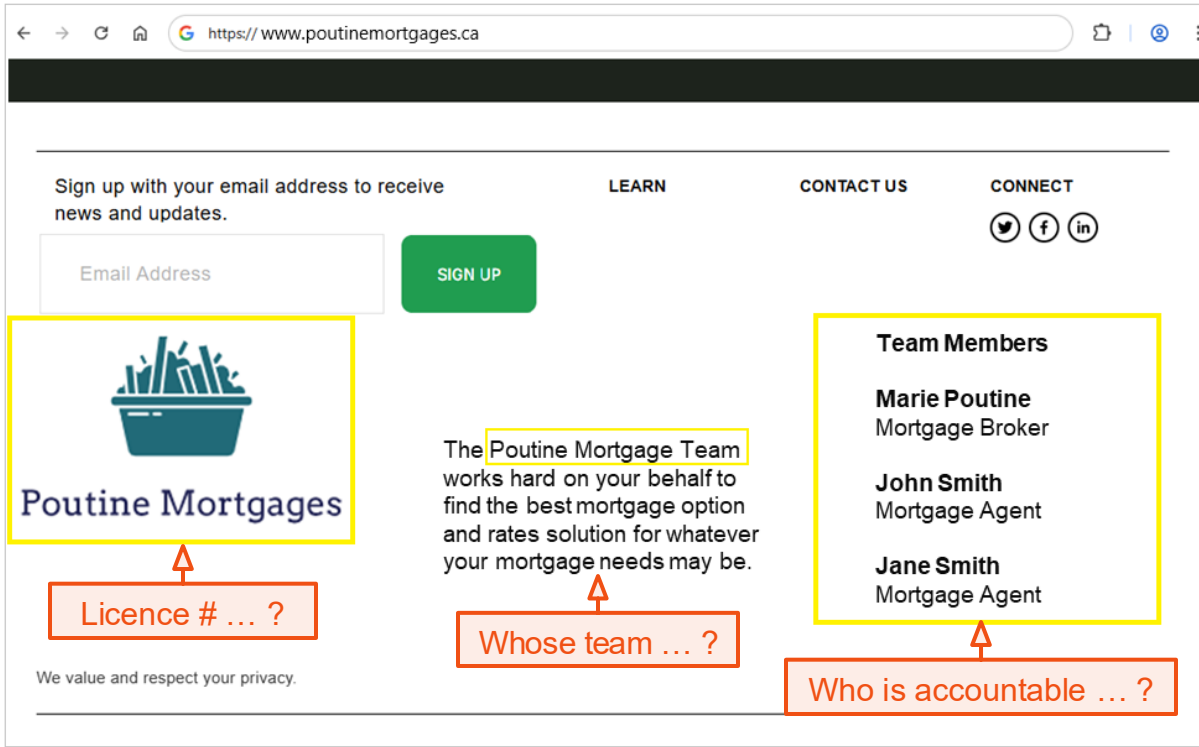
- Principal brokers should approve the use of team names by the licensees of the brokerage and must ensure appropriate and ongoing oversight over their use.
- A principal broker may choose to not allow the use of team names by licensees in their brokerage.
- It is recommended that brokerages that choose to allow the use of team names establish and implement clear policies on the approval and monitoring process for their use.
- FSRA will not register or approve team names.



Illustrative Examples of Compliant and Non-Compliant Use of Team Names

Illustrative Examples of Non-Compliant Use of Team Names

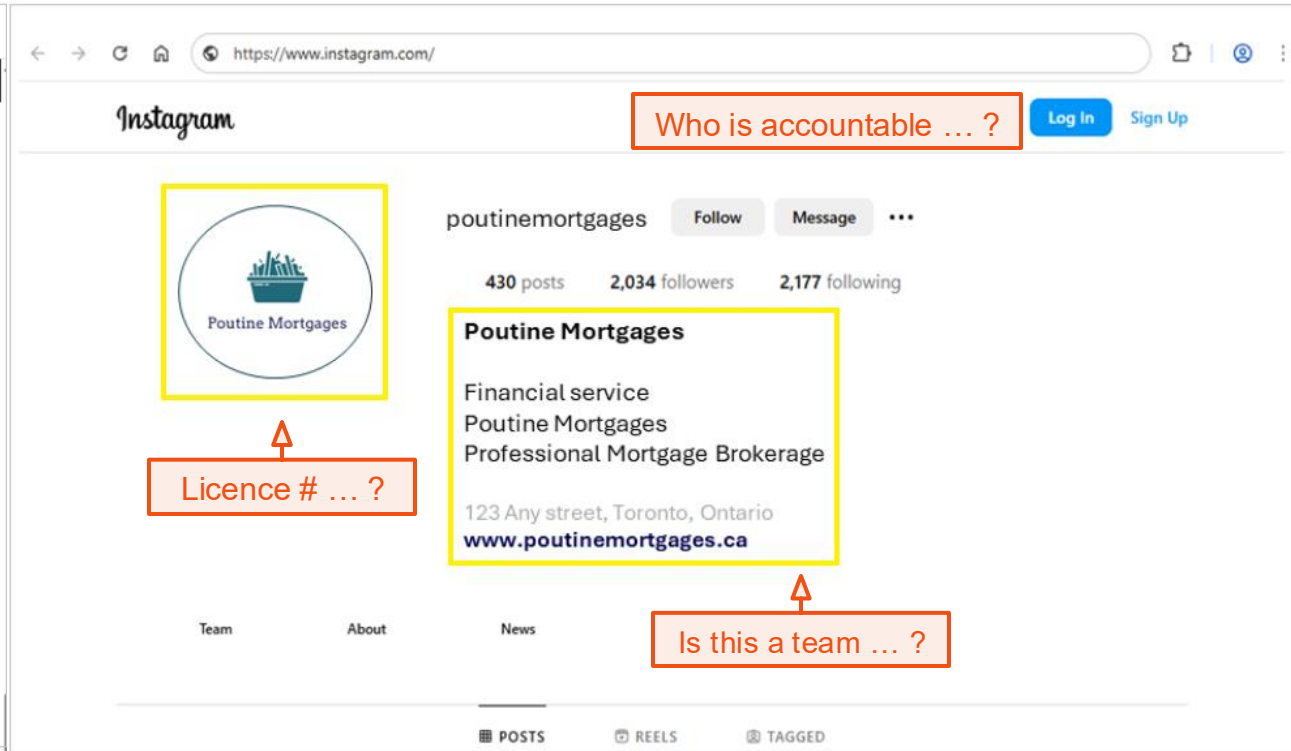
Team Website: Non-Compliant



The screenshot shows the website <https://www.poutinemortgages.ca>. It features a sign-up form, navigation links (LEARN, CONTACT US, CONNECT), and a "Team Members" section. Annotations in orange boxes with arrows point to non-compliant elements:

- Licence # ... ?**: Points to the "Poutine Mortgages" logo.
- Whose team ... ?**: Points to the text "The Poutine Mortgage Team works hard on your behalf to find the best mortgage option and rates solution for whatever your mortgage needs may be."
- Who is accountable ... ?**: Points to the "Team Members" list, which includes Marie Poutine (Mortgage Broker), John Smith (Mortgage Agent), and Jane Smith (Mortgage Agent).

Team Social Media: Non-Compliant

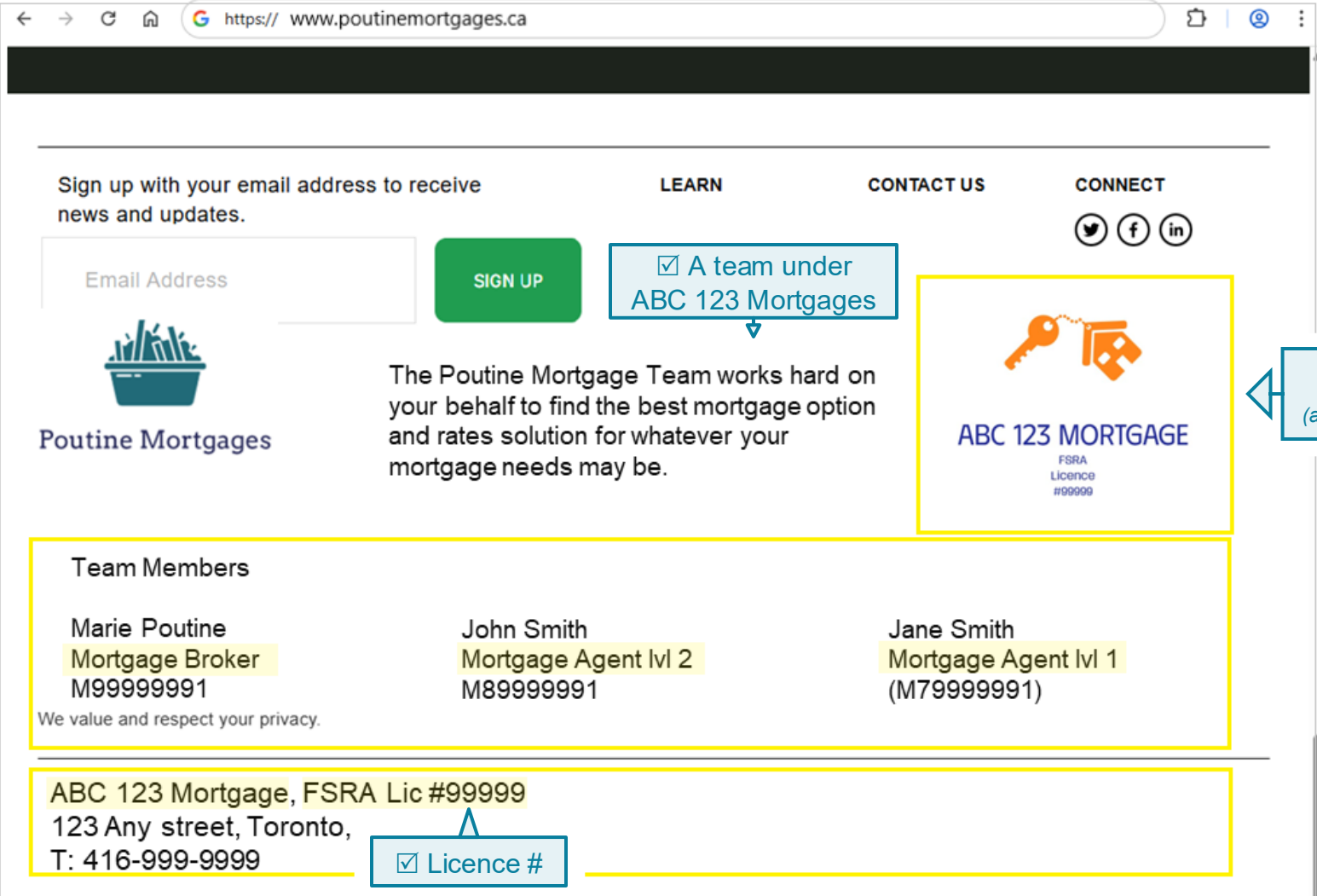


The screenshot shows the Instagram profile for "poutinemortgages". Annotations in orange boxes with arrows point to non-compliant elements:

- Who is accountable ... ?**: Points to the profile name "poutinemortgages".
- Licence # ... ?**: Points to the profile picture, which is a logo with the text "Poutine Mortgages".
- Is this a team ... ?**: Points to the bio, which lists "Financial service", "Poutine Mortgages", and "Professional Mortgage Brokerage".

Illustrative Examples of Compliant Use of Team Names

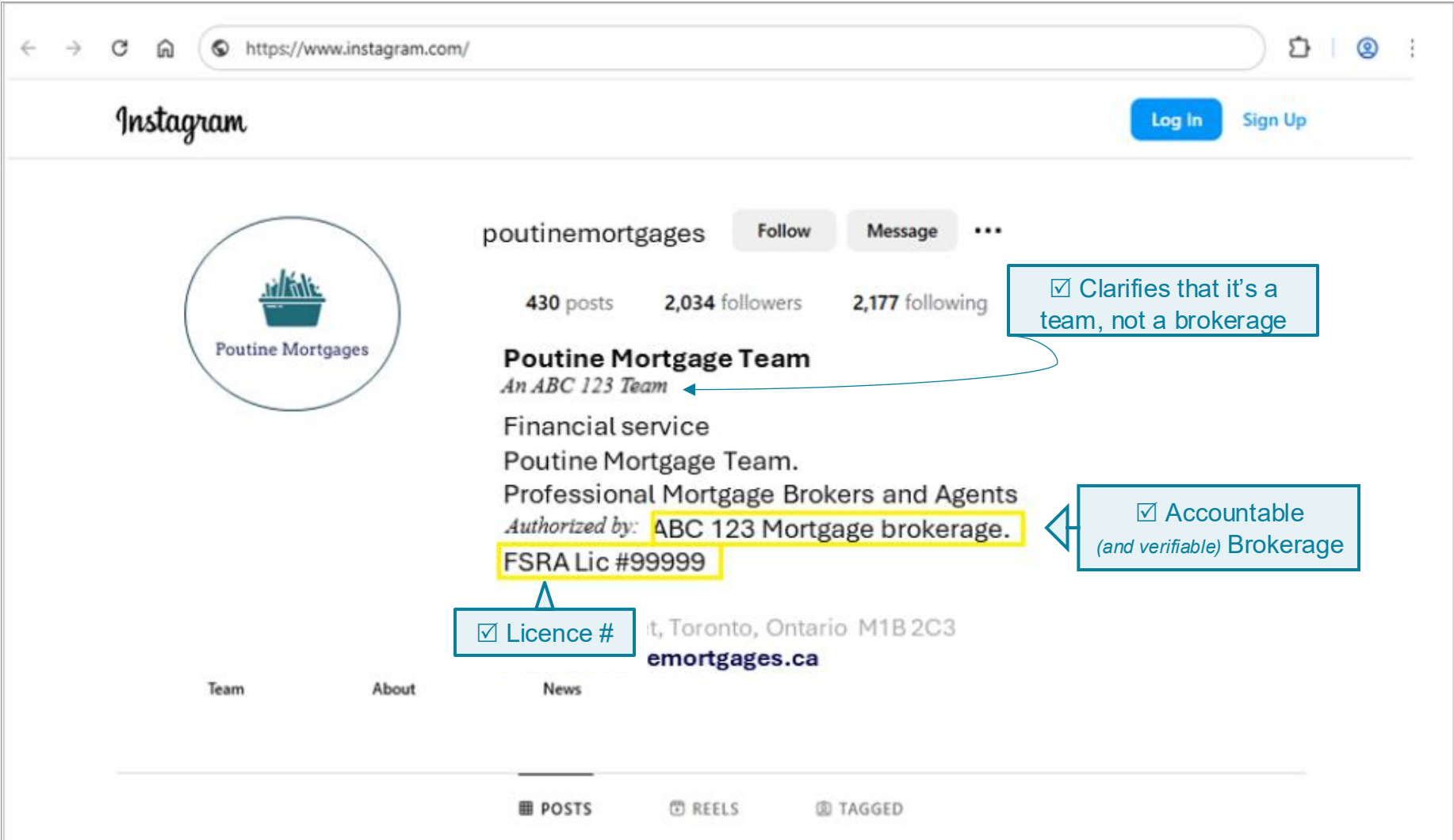
Team Website: Compliant



The screenshot shows a website for Poutine Mortgages. The browser address bar displays [https:// www.poutinemortgages.ca](https://www.poutinemortgages.ca). The website features a navigation menu with 'LEARN', 'CONTACT US', and 'CONNECT' (with social media icons). A sign-up form is present with a 'SIGN UP' button. A callout box points to the sign-up form with the text: A team under ABC 123 Mortgages. Below the sign-up form, the text reads: 'The Poutine Mortgage Team works hard on your behalf to find the best mortgage option and rates solution for whatever your mortgage needs may be.' To the right, a logo for 'ABC 123 MORTGAGE' is shown, including 'FSRA Licence #99999'. A callout box points to this logo with the text: Accountable (and verifiable) Brokerage. Below the main content, a 'Team Members' section lists three individuals: Marie Poutine (Mortgage Broker M99999991), John Smith (Mortgage Agent lvl 2 M89999991), and Jane Smith (Mortgage Agent lvl 1 (M79999991)). A callout box points to the team name 'ABC 123 Mortgage' in the footer with the text: Licence #. The footer also includes the address: 'ABC 123 Mortgage, FSRA Lic #99999, 123 Any street, Toronto, T: 416-999-9999'.

Illustrative Examples of Compliant Use of Team Names

Team Social Media: Compliant



The screenshot shows an Instagram profile for 'Poutine Mortgages'. The profile name is 'Poutine Mortgages' with a circular profile picture containing a poutine bowl icon. The bio reads: 'Poutine Mortgage Team', 'An ABC 123 Team', 'Financial service', 'Poutine Mortgage Team.', 'Professional Mortgage Brokers and Agents', 'Authorized by: ABC 123 Mortgage brokerage.', and 'FSRA Lic #99999'. The location is 'Toronto, Ontario M1B 2C3' and the website is 'emortgages.ca'. Callouts highlight: 'Clarifies that it's a team, not a brokerage' pointing to 'An ABC 123 Team'; 'Accountable (and verifiable) Brokerage' pointing to 'Authorized by: ABC 123 Mortgage brokerage.'; and 'Licence #' pointing to 'FSRA Lic #99999'.

Why do public materials matter so much?

It's not just about “following the rules” – it's about why the rules exist...

- ❖ The key objective is to ensure clarity, so that consumers know:
 - ✓ that they are working with a licensed brokerage.
 - ✓ who is responsible for the “Poutine Mortgages Team.”
 - ✓ who they are putting their trust in.
 - ✓ what brokerage they can call if something goes wrong.

Questions

To submit feedback on this proposed guidance, please visit the consultation webpage at:

<https://www.fsrao.ca/engagement-and-consultations/consultation-proposed-guidance-use-team-names-mortgage-brokering-sector>

FSRA is accepting feedback on this consultation until **April 9, 2025**.