Mortgage Administrator AIR Filing Guide

About This Guide

This guide is designed to assist mortgage administrators in accurately completing the Annual Information Return (AIR). For the purposes of this filing, this guide provides definitions, additional clarification, and examples to help administrators provide the correct information. In addition, the first four questions of the AIR will serve as qualifying questions to help determine the mortgage administrator's business profile.

The data provided in the AIR helps support the Financial Services Regulatory Authority of Ontario's (FSRA's) risk assessment, and oversight, of the sector and licensees. FSRA also uses the information provided to gather marketplace statistics and verify compliance with legal obligations under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA). The deadline to file the AIR is March 31 of each year.

For the purposes of this AIR, the "Reporting Period" means the period from January 1 to December 31, 2026, inclusive. Every licensed mortgage administrator must file an AIR, even if the administrator did not conduct any business during the reporting period.

Completing the AIR online usually takes one to three hours and extra time may be needed to gather information. Progress is saved automatically, and the session can be resumed later.

Before Proceeding

The AIR may be completed by the principal representative, the sole proprietor, a director, officer, or partner, or by a designate authorized by the mortgage administrator. However, the principal representative—the individual listed as the mortgage administrator's primary contact person on file with FSRA—must review the form for accuracy and completeness, submit it, and execute the attestation at the end of the AIR.

If the mortgage administrator fails to file the AIR by March 31 of each year, FSRA may take enforcement action, which could result in summary administrative penalties being levied against the administrator and/or the suspension or revocation of the business' licence under the MBLAA.

Please note that any inquiries made to FSRA regarding the AIR must be made directly by the principal representative.

Download and review the Sample AIR in advance to determine what additional information may be needed.

Please log in to the Licensing Link account and confirm access before proceeding.

For account login assistance, please reach out to licensingapprovals@fsrao.ca.

System Requirements

- Recommended Internet requirements: secure high-speed internet connection, JavaScript, cookies and pop-ups enabled.
- Recommended browsers: latest version of Google Chrome, Mozilla Firefox or Microsoft Edge. Internet Explorer & Safari are not supported
- Supported Devices: desktops and laptops. Mobile devices and tablets are not supported.

Supporting Documents to Upload

Certain AIR questions will require document uploads. If applicable, please upload a file containing a list of all private lenders on whose behalf the mortgage administrator administered mortgages. Please include the name, number of mortgages and dollar value of mortgages.

Completing the AIR

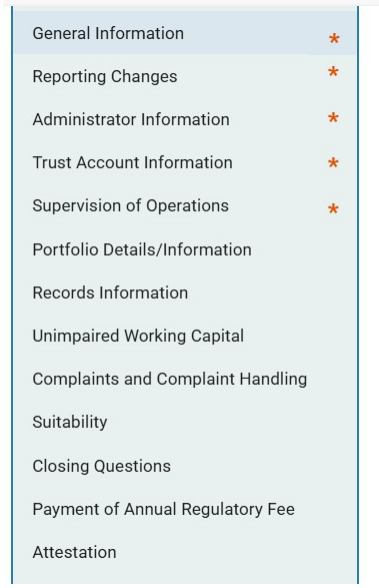
- The headings in the guide align with the corresponding sections of the AIR questionnaire and include references to the relevant questions.
- All questions presented must be answered.
- The definitions in this document are intended only to help clarify the questions and support completion of the AIR.
- The volume of required questions is adjusted based on the responses provided to the initial questions in the AIR. As a result, some questions from the Sample AIR may not be presented.
- Responses are automatically saved when you enter data into the AIR and navigate to a new question.
- Use the "Tab" key and/or a mouse to navigate through the items on each page.
- Use the links in the menu on the left side of the page to navigate to different parts of the AIR.



- Print a copy of the AIR at any time by clicking on the printer icon located in the upper right corner of the page.



- Incomplete pages or those with errors are identified with an asterisk (*) in the navigation menu on the left.



- Payment of the mortgage administrator Annual Regulatory Fee is required in order to submit the AIR.
- Click "Submit" on the Attestation page to file the AIR with FSRA.

Note: Refer to the AIR Frequently Asked Questions page for additional tips. To submit a question regarding any technical difficulties with the AIR, click on the camera icon located in the upper right corner of the screen.

General Information

The information presented in the pre-populated fields represents information on file with FSRA as of the filing date. This may also include a fax number if one was previously on file with FSRA.

In addition to the contact person's email address, please indicate an additional email address FSRA can use to communicate with the administrator.

FSRA expects these email addresses to be regularly monitored. FSRA may send official communications and documents to the administrator's email address on file with FSRA.

Reporting Changes

These questions help FSRA understand if there were any changes to the administrator's business or operations that required notification to FSRA.

Changes that require notice to FSRA include:

- Changes to a licensee's mailing address or the administrator's principal place of business
- Changes to a licensee's email address
- Opening or closing a trust account
- Opening additional trust accounts (which requires the Chief Executive Officer of FSRA's consent)
- Opening or closing a branch location
- Updates to Errors & Omissions (E&O) insurance policies
- Updates related to adding or changing a business operating name/trade name
- Amendments to the licensed entity's legal name

It is important that licensees under the MBLAA report certain changes to the Chief Executive Officer of FSRA (CEO) after the change occurs as per O.Reg 193/08 and within any required timelines, as applicable. FSRA may be notified of any changes to the administrator's general information by sending an email to licensingapprovals@fsrao.ca.

For all other changes, including changes to the officers, directors or partners of the administrator, please submit notifications through the Licensing Link account.

Errors & Omissions (E&O) Insurance

Section 27 of O. Reg. 189/08 provides that each mortgage administrator must have E&O insurance in a form approved by the CEO, with extended coverage for loss resulting from fraudulent acts, or another form of assurance approved by the CEO. The E&O policy (or other form of CEO approved assurance) must cover at least $500,000 in respect of any one occurrence and $1 million in respect of all occurrences during a 365-day period involving the administrator.

Trust Account Information

The questions in this section focus on the mortgage administrator's trust account obligations under the MBLAA, including reporting changes such as account openings (O. Reg. 193/08, s. 4) or shortfalls in trust accounts (O. Reg. 189/08, s. 38).

Mortgage administrators must report certain changes to the CEO no later than five days after the change occurs (e.g. establishing a trust account). FSRA may be notified of any changes by sending an email to licensingapprovals@fsrao.ca.

If the administrator determines that there is a shortfall in a trust account, the administrator must immediately notify the CEO (O. Reg. 189/08, s. 38). Notices of any trust account shortfalls may be provided to FSRA by sending an email to ccoupdates@fsrao.ca.

Supervision of Operations

These questions help FSRA understand how the administrator's operations are organized and supervised.

Reference: Question 13

Please indicate the total number of staff employed by the mortgage administrator who were involved in the administration responsibilities during the reporting period.

Reference: Question 15(i)

Individuals with Significant Control: For the purposes of this AIR, an individual with "significant control" is an individual who directly or indirectly owns or controls 25% or more of a mortgage administrator[1].

Privately held administrators (non-publicly traded companies): Privately held businesses are businesses whose shares aren't publicly offered or traded

Reference: Question 17

Artificial intelligence (AI) system: For the purposes of question 17, an AI system is a machine-based system that, for explicit or implicit objectives, makes inferences, from the input it receives, in order to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.[2]

Below are some examples of where artificial intelligence could be applied (this list is not exhaustive):

- Credit Risk Assessment
- Fraud Detection
- Identity Verification

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[1]Although the *Business Corporations Act* defines "significant control" in the corporate context, its underlying principles have been applied in spirit to individuals and entities.

[2] For the purposes of this AIR, the term "artificial intelligence" has the same meaning as the definition of "artificial intelligence system" set out in the Government of Ontario's *Responsible Use of Artificial Intelligence Directive*.

- Document Review and Data Extraction
- Portfolio monitoring

Portfolio Details / Information

This section is intended to collect key data about the mortgage administration activities carried out by the mortgage administrator. The questions focus on gathering marketplace statistics related to the types of mortgages administered, the volume of activity, and the parties involved, such as borrowers and investors. This information helps FSRA understand the scale and nature of the administrator's operations and supports its efforts to monitor industry trends, assess risks, and ensure effective regulatory oversight.

Notes:

- When entering in dollar amounts, round to the nearest dollar. Enter whole numbers for all amounts. Do not enter a dollar sign ($), comma (,) or decimal point (.).
- For the purposes of this filing, please treat a mortgage as an Ontario mortgage if the mortgaged property is located in Ontario.

Reference: Question 20

Property Types

20a	**Residential:** A property used as a private dwelling. • **Single Family:** House, townhouse, or single condominium unit. • **Multi-Unit (up to 4 units):** Duplex, triplex, or fourplex. • **Vacation Property:** Cottage or seasonal residential property. • **Mixed-Use:** Primarily residential with an ancillary commercial component.
20b	**Commercial:** A property used for business activities. • **Office Building:** Buildings used mainly for business or professional purposes, including offices for companies or organizations. • **Retail:** Properties used for the sale of goods or services directly to customers, such as stores, restaurants or shopping centres. • **Industrial Properties**: Properties used for manufacturing, processing, storage or distribution of goods and materials (e.g. machine shops, manufacturing plants, warehouses). • **Hotels:** Properties providing short-term lodging for guests and may include amenities like dining or event spaces. • **Apartment/Condo (5 units and above):** Buildings with five or more residential units, whether owned or rented.
20c	**Construction and Development (Vacant Land):** Land or property financed for construction, development, or future use. Funding may support both site development and/or building construction.
20d	**Other:** Property types that are not captured above. • **Rural Land:** Undeveloped or agricultural land primarily used for farming or natural resource cultivation (e.g. agricultural land, farmland, wineries, orchards).

	• **Resource Extraction:** Properties associated with the extraction or processing of natural resources (e.g. oil fields, gas extraction sites, timberland). • **Institutional:** Properties operated by or for public or non-profit organizations providing essential community services (e.g. hospitals, schools, churches).

Reference: Questions 21-22

To complete the table accurately, it's important to identify the **type of individual investor** involved in the mortgages under administration.

Designated Individual Investor: an individual that is a member of any of the following designated classes of lenders and investors set out in subsection 2(1) of O. Reg. 188/08:

1. The Crown in right of Ontario, Canada or any province or territory of Canada.
2. A brokerage acting on its own behalf.
3. A financial institution.
4. A corporation that is a subsidiary of a person or entity described in paragraph 1, 2 or 3.
5. A corporation that is an approved lender under the *National Housing Act* (Canada).
6. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the *Income Tax Act* (Canada).
7. A person or entity who is registered as an adviser or dealer under the *Securities Act* when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
8. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 7 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity.
9. A person or entity, other than an individual, who has net assets of at least $5 million as reflected in its most recently prepared financial statements and who provides written confirmation of this to the brokerage.
10. An individual who, alone or together with his or her spouse, has net assets of at least $5 million and who provides written confirmation of this to the brokerage.
11. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1 million and who provides written confirmation of this to the brokerage.
12. An individual whose net income before taxes in each of the two most recent years exceeded $200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded $300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage.

13. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 12.

Non-Designated Individual Investors: investors who do are not members of the designated classes of investors and lenders set out in subsection 2(1) of O. Reg. 188/08.

Mortgage Investment Entity: a mortgage-financing business, that pools together money from investors to lend on mortgages. MIEs can vary in organizational structure, and may be a trust, a limited partnership or a corporation. MIEs also include Mortgage Investment Corporations (MICs).

Mortgage Investment Corporation: a company that meets the requirements set out in subsection 130.1(6) in the federal *Income Tax Act* that is designed specifically for mortgage investing or lending in Canada.

Reference: Question 25

Private Lender: a person or business, other than a financial institution as defined under the MBLAA, MIC or MIE, who lends their own funds to finance a mortgage (includes mortgage agents, brokers, or brokerages).

Reference: Question 27

Redemption freezes: temporary restrictions that prevent investors in pooled MIEs administered by the administrator or direct investors/lenders in individual mortgage loans from withdrawing their funds.

Reference: Question 28

QSMI vs NQSMI

Before answering questions in this section, it is important to understand the difference between **Qualified syndicated mortgage investment (QSMI)** and **Non-Qualified syndicated mortgage investment (NQSMI).**

Qualified syndicated mortgage: Subsection 1(2) of O. Reg. 188/08 under the MBLAA provides that a syndicated mortgage (a mortgage in which two or more persons participate, directly or indirectly, as a lender or investor in a debt obligation that is secured by the mortgage) is a qualified syndicated mortgage if all of the following criteria are satisfied:

1. The syndicated mortgage secures a debt obligation on property that,

    i. is used primarily for residential purposes,

    ii. includes no more than four units, and

    iii. includes no more than one unit that is used for non-residential purposes.

2. The syndicated mortgage does not secure a debt obligation incurred for the construction or development of property.

3. At the time the syndicated mortgage is arranged, the amount of the 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, assuming in all cases that the maximum amounts of any such mortgages are fully drawn, 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. The syndicated mortgage cannot be subordinated to future financing without the consent of each lender.

5. There is no existing agreement that requires any lender of the syndicated mortgage to consent to future subordination of the syndicated mortgage.

6. No person has the ability to consent to future subordination of the syndicated mortgage on behalf of the lenders of the syndicated mortgage without obtaining the consent of each lender.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage[3].

Non-Qualified syndicated mortgage: An NQSMI is a syndicated mortgage that does not meet the requirements of a qualified syndicated mortgage set out in section 1(2) of O. Reg. 188/08.

The transfer of regulatory oversight of certain syndicated mortgages from FSRA to the Ontario Securities Commission ("OSC") took effect on July 1, 2021. The QSMI definition above has been replaced effective July 1, 2021, to align with the OSC definition. Please refer to FSRA Guidance on the Supervision Approach for Non-Qualified Syndicated Mortgage Investments with Permitted Client and Legacy Non-Qualified Syndicated Mortgage Investments for details.

Reference: Question 29a

Report the number of lenders by counting each legal entity only once to avoid double counting. For example, investors under MIC should be reported as one lender.

Cybersecurity

The purpose of this question is to help FSRA understand the administrator's cybersecurity preparedness practices.

Please refer to Mortgage Broker Regulators' Council of Canada's Principles for Cybersecurity Preparedness for the Mortgage Brokering Sector ("MBRCC Cybersecurity Guidance") and the Information Technology ("IT") Risk Management Guidance for more detailed information.

When to Notify FSRA

Mortgage administrators should notify FSRA by e-mailing the IT Risk Incident Notification Form to ITriskinbox@fsrao.ca or uploading the above mentioned form and any other supporting

[3] Qualified Syndicated Mortgage Investment (QSMI): O. Reg. 188/08 *MORTGAGE BROKERAGES: STANDARDS OF PRACTICE*

documentation to the Incident Notification Portal if they experience a cybersecurity incident that could have a material impact on client information.

The following are indicators that a cybersecurity incident could have a material impact on clients:

- the security breach impacted a system or database that stores a large amount or a sizable proportion of sensitive client information
- if the mortgage brokerage or administrator would, in the normal course of operations, escalate the matter to or inform senior management accountable for information security
- the security incident requires non-routine measures or resources by the mortgage brokerage or mortgage administrator
- the security incident has resulted in a cyber insurance claim being initiated
- the breach is a repeat incident and could have a material impact on a cumulative basis

Non-material cybersecurity incidents would have no serious impact on client information or minimal disruption to business activities.

Complaints and Complaint Handling

Mortgage administrators are expected to have transparent and effective complaint-handling protocols, ensuring that consumer complaints are documented, evaluated, and resolved appropriately. When complaints are escalated to FSRA, administrators are expected to cooperate fully with investigations and provide relevant documentation, including final decisions issued to consumers.

Reference: Question 31

As per subsection O. Reg. 189/08, s. 26 (2), the administrator is required to designate one or more individuals to receive and attempt to resolve complaints from the public. Please provide the contact information to which consumers should direct complaints.

The email address may be posted on the public register on FSRA's website and may be provided to the public for the purpose of contacting the administrator.

Reference: Question 32

The "other" complaint category includes all other possible forms of complaint submissions (verbal, video, in-person, etc.) aside from written.

The "total number of complaints" includes all complaints received by the mortgage administrator during the reporting period, including those from borrowers, lenders, MIEs, other regulators, and other sources, regardless of their origin.

Complaints/Regulatory Discipline Reporting

The questions are designed to gather information about the administrator's governance, conduct, and overall compliance history.

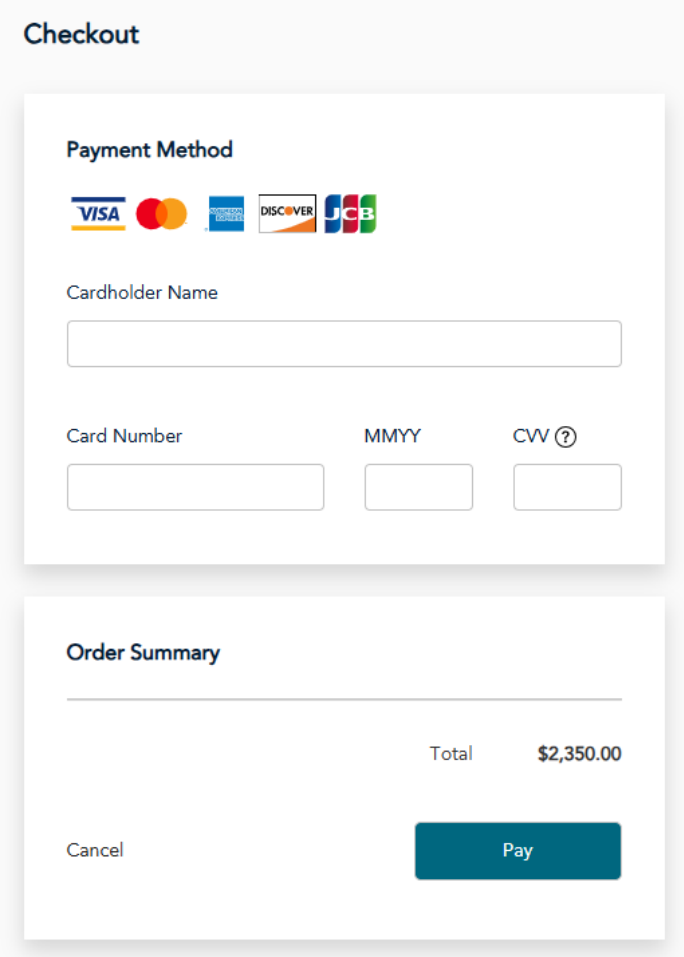
Reference: Question 33, 35, 36

Please see a list of other regulatory bodies across different Canadian jurisdictions below. Please note these are examples only and do not represent a comprehensive list.

Regulators	
AMF	Autorité des marchés financiers
BCFSA	British Columbia Financial Services Authority
CIRO	Canadian Investment Regulatory Organization
OSC	Ontario Securities Commission
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada
OACIQ	Organisme d'autoréglementation du courtage immobilier du Québec
RECA	Real Estate Council of Alberta
RECO	Real Estate Council of Ontario
FCAA	Financial and Consumer Affairs Authority of Saskatchewan

Payment of Annual Regulatory Fee

To learn more about the fees for the Mortgage Brokering sector, please visit: Financial Services Regulatory Authority of Ontario Rule 2022-001 Assessments and Fees and refer to Subsection 6.2.



Attestation

In order to submit the AIR, all sections must be completed fully and payment of the Annual Regulatory Fee submitted.

A red asterisk (*) in the navigation bar on the left means that particular section of the AIR has not been completed.

REMINDER: Before submitting the AIR, the principal representative must thoroughly review all answers for accuracy. The AIR must be submitted by the principal representative. Once the AIR is submitted, no changes can be made.