

Guidance

Interpretation

Approach

Information

Decision



Effective Date: December 2, 2021

Identifier: No. MB0045APP

Accreditation of Licensing Courses for the Mortgage Brokering Sector

Purpose

This guidance¹ provides FSRA's:

- (i) Interpretation of what constitutes an “approved education program” for the purposes of subsections 2(1)5, 2(1)7 and 5(1)5 of Ontario Regulation 409/07 (“O. Reg. 409/07”)² under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (“MBLAA”).
- (ii) Approach for accrediting licensing courses as an “approved education program” offered for the purposes of subsections 2(1)5, 2(1)7 and 5(1)5 of O. Reg. 409/07 in the mortgage brokering sector.

¹ This guidance is a combination of Interpretation and Approach under FSRA's Guidance Framework.

² Ontario Regulation 409/07 – Mortgage Brokers and Agents: Licensing.

Scope

This guidance applies to education providers of mortgage agent and broker licensing courses³ including continuing education courses⁴.

Rationale and background

The 2019 [Report](#) to the Minister of Finance on the Legislative Review of the MBLAA recommended that FSRA work with industry and licensing education providers to raise education standards for mortgage brokers and agents and improve delivery systems for such providers. To achieve this outcome, FSRA adopted the Mortgage Broker Regulators' Council of Canada's (MBRCC):

- standards for accrediting licensing courses for the industry
- competencies and curriculum for mortgage agents and brokers

The application of the Accreditation Standards in Ontario reflects FSRA's statutory objects as set out in the *Financial Services Regulatory Authority of Ontario Act, 2016*, specifically:

- to contribute to public confidence in the mortgage brokering sector
- to promote high standards of business conduct
- to protect the rights and interests of consumers

Accreditation standards

In 2018, MBRCC published a [Mortgage Education and Accreditation Standards User Guide](#) ("Guide") to promote a consistent base-level of quality for industry licensing education across Canada. The Guide includes 76 accreditation standards ("Accreditation Standards") that relate to five (5) areas consisting of:

³ FSRA selects and approves the mortgage broker course through a competitive tender process.

⁴ Education providers that fulfill the requirements to provide a mortgage agent course may apply to FSRA to provide continuing education courses for mortgage brokers and agents.

- provider infrastructure
- course administration
- curriculum
- exams
- course results

Twenty-two (22) of the Accreditation Standards are mandatory. This means that course providers must provide documentation that demonstrates adherence to these Standards.⁵

FSRA requires that course providers design, develop and deliver existing and new licensing courses according to the Accreditation Standards.

The Accreditation Standards include adherence to [MBRCC's agent and broker competencies](#).

FSRA's use of the Accreditation Standards:

- promotes professionalism, strengthens consumer protection, and enhances public confidence in the mortgage brokering sector in Ontario
- ensures licensing courses provided by different course providers meet minimum standards of quality required for approval.

⁵ See Processes and Practices section for more information regarding documentation to confirm adherence with the mandatory Accreditation Standards. Documentation to confirm compliance with the remaining standards is not required unless requested by FSRA.

Interpretation

Under subsection 55(3) of the MBLAA, FSRA has the authority to establish education requirements for individuals to obtain mortgage broker or agent licences. Subsections 2(1)5, 2(1)7 and 5(1)5 of O. Reg. 409/07 require that individuals seeking to obtain a licence successfully complete an education program approved by the Chief Executive Officer of FSRA.

FSRA requires that all mortgage broker and agent licensing education programs / licensing courses meet the Accreditation Standards.

Exclusion of Standard 2.4

FSRA requires that education providers and the mortgage broker and agent licensing courses they offer in Ontario satisfy all 76 Accreditation Standards, except Standard 2.4. Standard 2.4 includes the requirement for course providers to only enroll learners who have high school education or equivalent and sufficient proficiency in the language of the course.

FSRA's interpretation of "approved education program" for the purposes of subsections 2(1)5, 2(1)7 and 5(1)5 of O. Reg. 409/07 does not include a requirement that such courses require that learners have high school education.

Under Standards 2.4, FSRA **does not** require course providers in Ontario to only enroll learners who have high school education or equivalent, however FSRA **does** expect that learners should be able to understand the language of instruction for the program for the education to be effective.

Course providers must satisfy the other Accreditation Standards as described by the MBRCC, to have an approved education program for mortgage agents and brokers.

Compliance

Course providers need to ensure accredited courses remain compliant with the Accreditation Standards. If the Accreditation Standards are not being met, FSRA will provide information on deficiencies and discuss the corrective action that may be appropriate. However, if the course

provider fails to remedy non-compliance, FSRA may place a condition on, or withdraw, the accreditation.

FSRA will carry out these compliance activities under subsection 35(1)⁶ of the MBLAA.

⁶ Subsection 35(1) of the MBLAA states that FSRA's Chief Executive Officer can issue a compliance order if a person or entity is committing any act or pursuing any course of conduct that contravenes or does not comply with a requirement established under the Act.

Approach

FSRA uses the following approach for the purposes of applying the Accreditation Standards to mortgage agent and broker courses and their providers in furtherance of its statutory objects:

- *Proactive, Risk-based Approach* – FSRA conducts audits of accredited courses. The audits focus on reviewing adherence to Accreditation Standards viewed as critical to course quality.
- *Proportionate Approach to Compliance* – FSRA uses a range of compliance tools to ensure compliance with the Accreditation Standards. The tools include:
 - educating course providers about the Accreditation Standards
 - giving course providers reasonable time to bring the content or delivery of the course up to standard
 - placing a condition on or withdrawing the accreditation

The tool used depends on the nature of the non-compliance, the extent of the risk to consumers, and corrective actions taken by the course provider.

Processes and practices

Application for accreditation of licensing courses

Course providers seeking to offer a mortgage agent licensing course or a continuing education course in the mortgage brokering industry in Ontario must apply to FSRA to accredit the course.

Course providers are required to submit a separate application for each course for which FSRA's approval is being requested. FSRA will review the application submission against the Accreditation Standards and the guidance outlined in this document.

Applications should include:

- a) [cover letter](#)
- b) [MBRCC-FSRA Accreditation Application Checklist](#)
- c) documentation that demonstrates compliance with the mandatory Accreditation Standards. For the other standards, course providers should have the documentation in their files and available upon request by FSRA
- d) name and contact information of a Key Contact for the application

For the mortgage broker licensing course, FSRA uses a competitive procurement process to select a single course provider. The course provider of the broker licensing course needs to demonstrate compliance with the Accreditation Standards.

Delivery of documents

The application package must be emailed to courseprovider_approvals@fsrao.ca and the subject line should include "Application for accreditation of (Name of course)."

Application review

After the course provider submits the application, FSRA will:

- a) acknowledge receipt of the application within two (2) business days of receiving the information
- b) review the application package for completeness
- c) follow up with the Key Contact if the application package requires clarification or is missing any required information. The application status will remain "incomplete" until the course provider provides the necessary information and clarification
- d) assess courses against the Accreditation Standards and identify any areas of non-compliance

Timeline for approval of courses

If the application contains all required information, within three months of receiving the application, FSRA will issue a Letter of Approval advising the course provider of its accreditation decision.

Accreditation term

Accreditation of a course remains in place unless and until revoked by FSRA.

Publication of accredited courses

Once the accreditation is granted, FSRA will publish the names of accredited courses on its website and the links to course providers' websites.

Monitoring the performance of accredited courses

FSRA will conduct course audits to ensure accredited courses are compliant with the Accreditation Standards. Courses will be reviewed every three (3) to five (5) years.

Effective date and future review

This Guidance becomes effective on **December 2, 2021** and will be reviewed no later than **December 2, 2024**.

About this guidance

Interpretation guidance sets out FSRA's view of requirements under its legislative mandate (i.e., legislation, regulations and rules) so that non-compliance can lead to enforcement or supervisory action.

Approach guidance describes FSRA's internal principles, processes and practices for supervisory work, action and application of Chief Executive Officer discretion.

Visit FSRA's Guidance Framework to learn more:

<https://www.fsrao.ca/regulation/guidance/fsra-guidance-framework>

Appendices and reference

MBRCC Mortgage Associates Program Competencies and Curriculum:

<https://www.mbrcc.ca/Documents/View/1057>

MBRCC Managing Broker Program Competencies and Curriculum:

<https://www.mbrcc.ca/Documents/View/1058>

Private Lending Competencies and Curriculum:

<https://www.mbrcc.ca/Documents/View/1059>

MBRCC Mortgage Broker Education Checklist:

<https://www.mbrcc.ca/Documents/View/5535>

MBRCC Mortgage Education and Accreditation Standards User Guide:

<https://www.mbrcc.ca/Documents/View/5701>