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Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

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Mortgage Brokerage Licence Application - Instructions for completing the application

Purpose

Under the Mortgage Brokerages, Lenders and Administrators Act, 2006, as amended (the Act), a Mortgage brokerage must be licensed as a mortgage brokerage to deal and trade in mortgages unless exempted to do so. This form is to be used by every corporation, partnership and sole proprietorship (unincorporated business) seeking a licence as a Mortgage brokerage.

Individuals, including directors, officers, partners, directors and officers of corporate partners, employees or agents of a brokerage who are engaged in dealing or trading in mortgages on its behalf must obtain a mortgage broker or mortgage agent licence. A mortgage broker or agent licence authorizes an individual to work for only the brokerage named under the licence. An individual cannot be licensed to work for more than one brokerage.

The Superintendent of Financial Services will use the information obtained in this application to determine whether an applicant meets the prescribed eligibility requirements and is suitable for a licence. This application's purpose is to collect this information. The applicant will be required to submit documents to support certain pieces of information about the business and the sole proprietor or director/officers/partners.

To ensure a timely and efficient review of your application, please provide complete and correct information as well as the required supporting documents.

A separate application is required to be licensed as a mortgage administrator.

Before you begin the application you will need:

1. Identify the principal broker and contact information for the person including an email address.
2. Official documentation about your business such as Articles of Incorporation if a corporation, the partnership agreement if a partnership, the Master Business Licence if the business uses a business or trade name, and a list of the directors/officers/partners as applicable for the business.

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 **Scheduled Online Service**

Disruption Notice

Please consult our [outage schedule](#) for

3. A copy of the business's errors & omissions insurance certificate and policy.
4. Ontario mailing address for service or registered mail; cannot be a post office box.

Process

The application must be completed and submitted to FSCO. FSCO will send to the applicant an email acknowledgement upon receipt of the application. FSCO will advise the applicant if the application is in order to proceed to the next step in the process. In the next step, the applicant will prepare and submit the application to licence the brokerage's principal broker and prepare and submit the online declarations for all the directors/officers/partners via FSCO's online licensing system. All directors/officers/partners or a sole proprietor (DOPs) are required to provide confirmation of their suitability for licensing of the brokerage.

A mortgage brokerage's licence can only be approved or issued when all the declarations from DOPs are received and reviewed by FSCO. Once the brokerage's licence has been approved an email will be sent to the principal broker to indicate the brokerage's licence number. No paper licence will be issued. At this point the brokerage may prepare and submit applications to licence its other brokers and agents via the online licensing system.

For additional information on the mortgage broker licensing process see FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/industry.aspx.

The public official at FSCO who can answer questions about the collection of personal information is: Manager Licensing Approvals, Licensing and Market Conduct Division, 5160 Yonge Street, 16th floor, Toronto ON M2N 6L9, email: contactcentre@fSCO.gov.on.ca, telephone (416) 250-7250.

Completing and submitting the application form

- An incomplete application may result in delays in processing the application or in refusal of the application.
- This application form must be legible. Complete by using the fillable pdf form capabilities, print and sign the application.
- Include copies and not originals of any documents when supporting documents or information is required.
- The application form and supporting documents may be sent to FSCO by mail to the Licensing Branch at 5160 Yonge Street, Toronto ON M2N 6L9, or a scanned copy by email to contactcentre@fSCO.gov.on.ca.

Mortgage brokerage licensing information

FSCO is required to maintain a public registry of licensed mortgage brokerages.

more details.

Consistent with FSCO's role in protecting the public interest FSCO collaborates with other organizations, including other regulators, fraud prevention organizations and law enforcement agencies. Please be advised that the applicant's and licensed business's licensing information (e.g. licence number, licence status, legal business address, and name of the directors/officers/partners and sole proprietor) may be shared with organizations that collect and use this information, only as reasonably necessary, to enable them to detect, suppress and prevent fraud, and for law enforcement purposes.

Fees

Fees to complete the application process are required but are not submitted with the application.

Fees are collected via the online licensing system when the brokerage submits the application for a broker's licence for its principal broker. There is no separate fee payable for that broker's application. This is to avoid one person brokerages (sole proprietors or corporations) from paying a fee twice (as a broker and brokerage).

Fees are payable in respect of all applications for licences, other than for the brokerage's principal broker. The fees are based on a two-year cycle. The fee due is prorated based on when the application is submitted.

To simplify the payment and reconciliation process, brokerages are also required to submit fees on behalf of their agents and brokers. These fees are paid electronically when the brokerage submits licence applications for its brokers and agents through the online licensing system.

Once licensed, every brokerage must pay a regulatory fee in respect of each new two-year cycle. This fee is due every second year on March 31. The brokerage must also pay fees on behalf of each agent and broker, other than the principal broker, when renewing their broker or agent licences for the same two-year cycle.

For more information on fees see FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/fee_schedule.aspx.

Detailed Instructions

The application has six parts:

- Part A – Attestation, consent and notification
- Part B – Applicant information
- Part C – Business information
- Part D – Suitability for a licence
- Part E – Directors/Officers/Partners
- Part F – Application checklist

Parts A, B, C and D of the application must be completed.

Part E must be completed if the entity is other than a Sole Proprietor.

Part F is a checklist to ensure your application package is complete.

Part A – Attestation, consent and notification

A director/officer, partner or sole proprietor of the brokerage must sign this application. The person signing must declare that the statements, declarations and answers provided, including attachments, are true and complete.

Any false, deceptive or misleading statement or omission in an application or supporting material may result in refusal or revocation of the licence, prosecution or other sanctions.

Any false, deceptive or misleading information provided to the Superintendent or a person designated by the Superintendent in respect to matters of this Act or Regulation is an offence under section 45 of the Mortgage Brokerages, Lenders and Administrators Act, 2006, as amended.

The person signing the application is providing consent on behalf of the applicant for the collection and validation of the information in this application and to share and disclose any of the information to other licensing authorities, regulatory bodies or law enforcement agencies for any purpose to law enforcement.

Part B – Applicant information

This part collects key pieces of information about the applicant that will be included in the registry for identification and administrative purposes. Items 2, 3, 5, 7 and 8 may be shared with the public.

1. Business type and legal name

The licence must be held by a business in one of the following three accepted forms. Chose one of three:

- a) Corporation
- b) Partnership
- c) Sole Proprietor (unincorporated business)

State the full legal name of the corporation, partnership or sole proprietor:

- Corporation – the name is the name specified in the articles of incorporation or the latest articles of amendment or articles of amalgamation or articles of continuance.
- Partnership – the name is as it appears on the partnership agreement, registered as the firm name with the Ministry of Government and Consumer Services (if different than the full name of the partners). List the names of all partners within the partnership, and the type of partnership.
- Sole Proprietor – is the sole proprietor’s legal name in Canada (must be a resident of Canada).

In the case of a partnership in which not all partners are individuals, an organizational chart identifying the partners and the structure of the partnership must be provided. In the case of a limited partnership, identify the general partner and each of the limited partners. For corporate partnerships, list the officers or directors for each partner.

2. Corporation or partnership information

When the business form is a corporation or partnership provide the following information:

- a) Corporation Number – provide the Ontario Corporation Number issued by the Ministry of Government and Consumer Services or the Corporation Number issued by the Government of Canada.
- b) Jurisdiction of Incorporation – provide the jurisdiction of incorporation (Federal / Provincial).
- c) Jurisdiction of Formation – If partnership – provide the jurisdiction of formation (Province).

3. Registered business name/ trade name

If the corporation / partnership / sole proprietor will be conducting business in a name other than, or in addition to its legal name, set the name out here. A brokerage may use one other name in addition to its legal name. The name must be registered to the corporation / partnership / sole proprietor under the Business Names Act.

A licence cannot be issued to a corporation / partnership / sole proprietor using a name that is confusingly similar to that of another licensee or is otherwise objectionable on public grounds. It is an offence for a brokerage to carry on business in a name other than the name in which it is licensed.

4. Participation in a franchise

If a corporation / partnership / sole proprietor intends to carry on business using a franchise name, the franchise name must be included in either its legal or the registered business name. The corporation / partnership / sole proprietor must have authorization from the franchisor to use its franchise name.

5. Name of proposed principal broker

Provide the name and email address of the proposed principal broker for the brokerage. This person will be addressed as the principal broker.

6. Licensing system user

Provide the name and email address of the primary licensing system user for the brokerage. The principal broker and the primary licensing system user can be the same or different individuals. The licensing system is the online application system for use by the brokerage to submit applications for its agents and brokers and declarations for its directors, officers, partners or the sole proprietor. The first application to be submitted by the brokerage is the broker application for its principal broker.

Primary licensing system user:

The primary licensing system user designated by the brokerage is responsible for implementing and exercising security precautions to control access to and use of the licensing system and password protection. They will do so with at least the same degree of care and to the same standards as exercised by the brokerage for the brokerage's own confidential and proprietary information. The primary licensing system user shall make certain that they and the other brokerage's administrative users (if any) only, will be permitted access to and use of the licensing system administrative features.

In the event that the primary licensing system user becomes aware of any unauthorized access to the licensing system, they shall promptly notify FSCO's Manager, Licensing Compliance via email at elicence@fSCO.gov.on.ca. FSCO's Manager, Licensing Compliance shall discontinue the brokerage's access

to the licensing system until security is re-established by the brokerage to the satisfaction of both FSCO and the primary licensing system user.

The primary licensing system user will be responsible for approving all data entered by them or by other administrative users (if any). The primary licensing system user is the central contact for the brokerage on any and all matters related to the licensing system.

Administrative Users:

The primary licensing system user has the ability to provide access to other users. Depending on the security access granted to administrative users by the primary licensing system user they can initiate new applications, approve applications for submission to FSCO, initiate / approve renewal applications, and initiate / approve reports regarding change of status. Administrative users can also be provided with access to all the reporting features available on the licensing system.

7. Principal place of business – Ontario

Address in Ontario where the corporation / partnership / sole proprietor will carry out its mortgage brokerage activities and/or maintain its records. A business address cannot be a post office box number.

8. Mailing address for service in Ontario

A licensee must have a mailing address in Ontario. It cannot be a post office box number and must permit service by registered mail.

9. Business contact information

Brokerages must have and continue to have an operating telephone number.

Notices and legal documents are considered to have been served by the Superintendent if they were sent by fax to the number listed in FSCO's records.

10. Branch offices

If the corporation / partnership / sole proprietor will have any offices open to the public in Ontario ("branch offices") other than the principal place of business, list the address, and telephone numbers of the branch offices.

11. Finance company

Indicate if the business is a "finance company" thus a corporation or partnership, other than a financial institution, that satisfies both of the following criteria:

- A material business activity of the corporation or partnership involves making or refinancing loans, or entering into other similar arrangements for advancing funds or credit.
- The shares or ownership interests of the corporation or partnership, or of another person or entity with which it is affiliated, are listed on a stock exchange in Canada or outside Canada that

is a prescribed stock exchange for the purposes of the Income Tax Act (Canada).

If yes, specify the stock exchange on which it or the shares of an affiliate company are listed, and the name of any such affiliate, and their trading code.

If the finance company is affiliated with a company listed on a stock exchange, attach as a supporting document to the application an organizational chart showing the corporate structure.

Part C – Business information

This part of the application collects relevant information about the business such as information for the prescribed eligibility requirements as well as requirements to obtain and hold a brokerage licence in good standing. This part also identifies the key pieces of information related to its licence once licensed that must be kept up to date.

1. Business policies and procedures

Brokerages must comply with standards of practice and reporting requirements under the Act and its regulations. This section highlights key requirements to maintain a licence in good standing and requires the applicant to confirm awareness of such requirements.

2. Conducting business with licensed brokers or agents

Brokerage must only accept or conduct business with its licensed mortgage brokers and agents or the persons of businesses that are licensed as mortgage brokerages or are exempt from holding a licence.

3. Errors and omissions Insurance

Brokerages must have errors and omissions insurance by an approved issuer with extended coverage for loss resulting from fraudulent acts, covering the brokerage and its brokers and agents.

Refer to FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/industry.aspx, for more information on errors and omissions insurance and the approved list of issuers.

4. Trust Account

Every brokerage that receives or handles money in trust must have a trust account. All funds held in trust must be maintained separately from the brokerage's own operating funds and held in a trust account, designated as a mortgage brokerage trust account, at a bank, credit union or loan and trust company.

Indicate whether the brokerage is or intends to handle trust funds in connection with the business.

A brokerage must only have one trust account unless it has obtained the Superintendent of Financial Services' approval to open other accounts. If the brokerage wishes to have more than one account, it must make the request in writing.

Any money that is received by a brokerage, directly or indirectly, from a borrower, lender or investor is deemed to be trust funds except money clearly earned for services that have been completed or expenses

actually incurred.

Brokerages that receive trust funds are required to file audited financial statements and an auditor's report on the trust account annually, and to conduct monthly trust account reconciliations. Brokerages that have not received any trust funds in the fiscal year must provide a declaration to that effect annually.

Confirm as the applicant that you are aware of the requirements for brokerages in relation to its trust account(s).

5. Designated person to receive complaints

The brokerage must respond in writing to all written complaints it receives. Indicate the person designated by the administrator to receive complaints. Provide a name, email address and contact information for this individual.

6. Is any other type of business conducted from the business premises?

Provide details if other business is conducted from the business premises.

7. Does the business hold any other licence(s)?

Provide details if the business holds any other licences under another regulatory regime in Ontario or elsewhere.

8. Does the business intend to operate a Mortgage Investment Corporation (MIC) this year?

Indicate yes or no. A MIC is an investment/lending company designed specifically for mortgage investing or lending in Canada and governed by the Income Tax Act. A MIC is organized for investing in pools of mortgages, primarily residential and manages a diversified and secured portfolio of mortgages. Profits generated by the MIC are distributed to its shareholders according to their proportionate share.

Part D – Suitability for a licence

This part of the application collects information to assess the applicant's suitability to hold an administrator licence. To assess suitability for a licence, the Superintendent is required to consider all relevant information, including, for example, information about criminal records, current charges and convictions under any legislation or by any regulatory body and information about other registrations or licences and bankruptcies.

1. Other Licences/Registrations

Provide details as to whether the business (the corporation / partnership / sole proprietor) had a licence or registration refused, revoked, suspended or cancelled under the *Act*, or under another regulatory regime in Ontario or elsewhere or where the business has been the subject of a disciplinary proceeding that resulted in a penalty being imposed such as suspension, termination, reprimand surrender or monetary penalty.

2. Bankruptcy

Provide details as to whether the business has been declared bankrupt or made a voluntary assignment in bankruptcy or made a proposal under any legislation related to bankruptcy or insolvency, or if it is presently party to bankruptcy or insolvency proceedings. If yes, describe the circumstances and indicate if the bankruptcy has been discharged or not. If the bankruptcy has not been discharged, and in any other case, provide a list of the amounts owing, the creditors and the status of the matter.

Attach supporting documents if applicable such as:

- Certified copy of the discharge of bankruptcy
- Copy of the assignment in bankruptcy and creditor list

3. Judgments

Provide details as to whether the business has any outstanding judgments against it as of the date of the application. If yes, describe the circumstances and specify (1) the amount owing at the time of the judgment, (2) amounts currently owing (3) the person to whom the judgment is owing (4) repayment dates and arrangements.

4. Charges/Convictions

Provide details as to whether the business, a subsidiary or a related business ever pleaded guilty or been found guilty under the laws of any province, state or country, or if it is currently the subject of any charges.

5. Conduct – relevant lawsuit and complaints

Provide details whether the business in the last five years has ever been successfully sued or a complaint has ever been made against the business, and its directors/officers/partners or employees acting on its behalf, to a regulatory body in any province, territory, state or country that was or is, based in whole or in part, on fraud, theft, deceit, misrepresentation, forgery, or similar conduct; or based in whole or in part, on professional negligence or misconduct (including claims by the errors and omissions insurance carrier or bonding company). Also provide details as to whether the business is currently the subject of such lawsuits or complaints.

6. Conduct – relevant inappropriate conduct

Provide details as to whether the business in the last five years has had any business relationship terminated for its conduct, or for the conduct of its directors/officers/partners or employees for breach of confidentiality, breach of trust, fraud, misappropriation of funds, theft, forgery.

Part E – Directors/Officers/Partners

This part is to be completed for an applicant that is other than a sole proprietor. This part collects information about the names and roles of all officers, directors and partners of the brokerage. All officers, directors and partners of the brokerage listed must complete a declaration via FSCO's online licensing system. The primary licensing system user will be notified when to start this step in the application

process. The declaration from each individual is required to provide confirmation of suitability of licensing the brokerage.

Part F – Application checklist

This part provides an application checklist to ensure that your application package is complete.

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