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FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

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

Licensing FAQ

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1. What types of licences are required under the Mortgage Brokerages, Lenders and Administrators Act?

Under the new Act, there are four types of licences; Mortgage Brokerage, Mortgage Administrator, Mortgage Broker, Mortgage Agent.

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2. What are the requirements for a Mortgage Brokerage licence?

Under the Act, each Mortgage Brokerage:

- Must be incorporated or formed in Canada (for partnerships and corporations), or if a sole proprietor be a resident of Canada.
- Required to have a mailing address in Ontario that is suitable for receiving registered mail, (not a post office box).
- Must have errors and omissions insurance which also covers fraudulent acts up to a minimum of

\$500,000 for any one occurrence and \$1 million for all occurrences during a 365-day period.

- Must designate a Principal Broker on its application.
- Required to have its Mortgage Brokerage licence issued in the Brokerage's legal name, or in both its legal name and one other name that is registered under the Business Names Act.
- Must meet the suitability requirements that are listed in the regulations.

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3. What are the requirements for a Mortgage Agent licence?

In order to be licensed as a Mortgage Agent, you must:

- be 18 years of age or older,
- be a resident of Canada,
- have a mailing address in Ontario that can receive registered mail (not a post office box),
- be authorized by a Mortgage Brokerage to deal in mortgages,
- work for only one Mortgage Brokerage,
- [meet or be exempt from the Mortgage Agent education requirements](#), and
- have a valid e-mail address (this is necessary for the application process).

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4. What are the requirements for a Mortgage Administrator's Licence?

In order to act as a Mortgage Administrator, a business:

- Must be incorporated or formed in Canada (for partnerships and corporations), or be a resident of Canada (for sole proprietorships).
- Must have a mailing address in Ontario that is suitable for receiving registered mail (not a post office box).
- Must have errors and omissions insurance which covers fraudulent acts up to a minimum of \$500,000 for any one occurrence and \$1 million for all occurrences during a 365-day period.
- Must have a Mortgage Administrator's license issued in its legal name, or in both its legal name and one other name that is registered under the Business Names Act. (If a business is a

licensed Mortgage Brokerage, it must have a separate Mortgage Administrator's licence if it is also conducting business as a Mortgage Administrator.)

- Must meet the suitability requirements that are listed in the regulations, along with its sole proprietor, partners or officers, and directors (as applicable).
- Must prove it has a financial guarantee for \$25,000. The financial guarantee may be: an irrevocable letter of credit with a financial institution, unimpaired working capital, a surety bond issued by an insurer licensed under the Insurance Act, or some other form of financial guarantee which is approved by the Superintendent.

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5. Is there a licence for a lender?

Lenders carrying on the business of lending money on the security of real estate property must use a licensed mortgage broker or be licensed as a Mortgage Brokerage, unless an exemption applies. A Mortgage Brokerage must have a Principal Broker who has a Mortgage Broker licence.

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6. How can registered real estate brokers apply for a mortgage broker licence?

To become licensed as a mortgage broker, your licence application must be initiated by your mortgage brokerage's principal broker. View FSCO's Licensing for Mortgage Brokerages page for more information.

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7. I am a sole proprietor. Do I need to apply for both a Mortgage Broker and a Mortgage Brokerage licence?

Yes. Your Mortgage Brokerage may use a trade name and be featured in advertising, therefore your business is required to be licensed under the Act.

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8. Can I work as a Mortgage Agent for one company and a Mortgage Broker for another (hold 2 different licences)?

No, you are only allowed to work for one Mortgage Brokerage and can only be licensed as a Mortgage Agent or a Mortgage Broker, not both.

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9. Do private lenders need to be licensed?

Private lenders who lend their own money on the security of real estate must be licensed if they are doing business as mortgage lenders. However, private lenders do not need to be licensed if they use a licensed Mortgage Brokerage.

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10. Do I need a licence to refer a borrower to lender, or a lender to a borrower, if I get a referral fee?

You do not need a licence to give referrals that provide limited information about a borrower to a potential lender (and vice versa), as long as you:

- provide the nature of your relationship to the borrower or lender,
- state that you are receiving compensation for providing the referral, and
- provide the referral information that is allowed under the Mortgage Brokerages, Lenders and Administrators Act's regulations.

Note: The referrals that are allowed under [section 1 of regulation 407/07 \(Exemptions from the requirements to be licensed\)](#) are the name, address, telephone number, fax number, e-mail address and website address of the potential borrower/lender, or the individual who acts on behalf of the prospective borrower/lender.

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11. Can I apply for a Mortgage Broker licence, if I'm qualified to be a Mortgage Broker, but am currently working as a Mortgage Agent?

Yes. To get your Mortgage Broker licence you must notify your Mortgage Brokerage, since your Brokerage will need to apply on your behalf.

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12. Does a Mortgage Brokerage require a separate Mortgage Administrator's licence if it administers funds?

Yes, if a Mortgage Brokerage administers funds it must apply for a Mortgage Administrator's licence.


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13. Can a foreign-owned business receive a Mortgage Brokerage licence in Ontario?

Yes. The Mortgage Brokerage must; be incorporated in Canada (for a corporation), be formed in Canada (for a partnership), or be a resident of Canada (for a sole proprietorship).

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14. If my Mortgage Broker/Agent licence is revoked, when can I reapply?

To reapply for a licence, you must wait twelve (12) months before reapplying for a Mortgage Agent/Broker licence ([according to section 8 of regulation 409/07 of the Mortgage Brokerages, Lenders and Administrators Act](#)) .

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15. How can a mortgage brokerage dispute a Notice of Proposal to suspend/revoke a licence and/or Notice of Proposal to impose an administrative monetary penalty?

The Information is included in the Notice of Proposal. Please ensure you note the timing requirements. If you choose to request a hearing before the Financial Services Tribunal, the Superintendent will extend the Interim Order to suspend the mortgage brokerage's licence until the Financial Services Tribunal renders its decision.

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16. The mortgage brokerage I work for had its licence suspended. Can I transfer to another licensed mortgage brokerage and continue conducting mortgage business?

If you choose to transfer to another licensed mortgage brokerage, your mortgage broker or agent licence suspension will be lifted when you become authorized by another mortgage brokerage to deal or trade in mortgages on its behalf.

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17. Does the mortgage brokerage's interim licence suspension impact its mortgage brokers and agents?

Yes. When a mortgage brokerage's licence is suspended, neither the brokerage nor its brokers and agents can conduct mortgage business in Ontario.

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18. Why do I need to verify if the mortgage agent has met this licensing requirement?

As the principal broker for your mortgage brokerage, you are responsible for taking reasonable steps to ensure that each agent is authorized to deal or trade in mortgages on behalf of your brokerage. You also need to make sure that all of your brokerage's agents are complying with every requirement under the Mortgage Brokerages, Lenders and Administrators Act (MBLAA). If your brokerage does not take reasonable steps to deal with contraventions of the MBLAA, you may be subject to enforcement action.

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19. Who is exempt from becoming licensed under the Mortgage Brokerages, Lenders and Administrators Act?

Individuals or businesses that provide referrals that give limited information about a borrower to a

potential lender, and vice versa. Refer to [sections 1 and 2 of regulation 407/07](#) .

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20. How do I notify FSCO of a Mortgage Broker or Agent who is not suitable for licensing?

Each Mortgage Brokerage is required to immediately notify FSCO if there are reasonable grounds to believe that a Mortgage Broker or Agent is not suitable to be licensed. Mortgage Brokerages can notify FSCO in writing by mail or fax, and should include any supporting documentation. They can also use the [Mortgage Business Activity Complaint Form](#).

Attn: Market Conduct Analysis Section
Financial Services Commission of Ontario
5160 Yonge Street, Box 85
Toronto, ON M2N 6L9
Fax: 416-590-8480
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