

Summary of the Meeting of November 27, 2019

FSRA Stakeholder Advisory Committee for Mortgage Brokering

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At the FSRA Offices, 5160 Yonge Street, 14th Floor

Stakeholder Advisory Committee Members:

Daniel Andress – easyfinancial Services Inc.

Kevin Cohen – AUM Law Professional Corporation

Evan Cooperman – Foremost Financial

Mark Kerzner – TMG The Mortgage Group

Nick Kyprianou – RiverRock Mortgage Investment Corporation

Harley Redlick – H. Redlick Consulting, Inc. & Dominion Lending Centres Top Producers

Susan Redmayne – First National Financial Corporation

Karim Talib – Lend At Ease, Inc.

Paul Taylor – Mortgage Professionals Canada

Edwin Weinstein – The Brondesbury Group

Joe White – Association of Mortgage Investment Professionals (AMIPROS)

Board Members:

Bryan Davies – Chair of the Board

Kathy Bouey – Director

Blair Cowper-Smith – Director

Joanne De Laurentiis – Director





Brigid Murphy – Director
Lawrence Ritchie – Director
Brent Zorgdrager – Director

Management:

Mark White – Chief Executive Officer
Glen Padassery – EVP, Policy
Stephen Power – EVP, Corporate Services
Huston Loke – EVP, Market Conduct

Corporate Secretary's Office

Alena Thouin – Corporate Secretary and Deputy General Counsel
Margaret Kingerski – Assistant Corporate Secretary

General Comments

The Committee was supportive of FSRA's approach, noting that it has been collaborative and that efforts have been made to connect with the sector. The Committee underscored the importance of reducing regulatory burden where possible. It was noted that a number of initiatives can be pursued to aid the sector including regulatory harmonization across Canada, enhanced enforcement measures, and a whistleblower regime. The Committee also reflected that tiered licensing would be a valuable initiative as not all brokers have the same experience or skill set. Providing a tiered licensing system will guide consumers in making better choices and ensuring they are well informed respecting their mortgage broker's experience.

The Committee noted that there is an increase in foreign funds travelling to Canada. The sector will need assistance complying with their AML and FACTA responsibilities.

Feedback on F2020-2021 Draft Priorities and Business Plan

The Committee provided feedback with respect to FSRA's F2020-2021 Draft Priorities and Business Plan. It reflected that the priorities clearly indicate that FSRA has listened to the sector. The Committee is supportive of burden reduction and noted that dual regulation will be problematic for the sector. Smaller organizations will not be able to keep up with the regulatory





costs required under an OSC regime. The Committee advised that it would prefer to be regulated only by FSRA.

The Committee also noted that it is supportive of the transition to principle-based regulation. FSRA should actively seek exemptive relief. Reviewing the *Mortgage Brokerages, Lenders and Administrators Act* is also important and the Committee would like to see FSRA support the next steps of that review.

FSRA should also consider that AI-based underwriting is in the near future. Other technology to consider are tools that connect to the Canada Revenue Agency and employers. This will ensure accuracy in verifying income and thus reducing fraud.

