With regard to FSRA and the proposed charges for Non-Qualified Syndicated Mortgage Loans:

Once again, our lending businesses and practices are subject to the “Fortress Effect” because the MOF has not categorized or stratified types of Non-Qualified Syndicated Mortgages other than lumping all commercial loans into a singular risk category. Syndicated Equity (being a loan that is registered on title that has little or no Borrower equity) has no place in the mortgage business and needs to be relegated to securities oversight where it belongs and to be called “Syndicated Equity”.

- The need to segregate the Fortress type of High-Risk Product loan and lending away from all other types of Non-Qualified Syndicated Mortgages:
    - **In recognition that changes to amendments to Ontario Regulation 188/08 that became effective on July 1, 2018 would not have occurred or been necessary without the Fortress Effect.**
    - **To recognize that one cannot lump all Non-Qualified Syndicated Mortgage loans together since doing so imputes “One Uniform Risk” across a greater universe of commercial, industrial, residential, land, and special purpose property loan categories.**
    - **In recognition that the additional burden of paperwork and related high administrative costs imposed on All Types of Non-Qualified Syndicated Mortgages will promote non-compliance by lessor financially prepared participants or new participants by way of purposeful avoidance.**
    - **To recognize that Investors seeking higher yields will willingly participate and support non-compliance for the benefit of participation in higher yield mortgage loans and defy rules and regulations accepting higher risk and questionable disclosure and processes.**
    - **Similarly, Borrowers may not care where or from who they get a loan but rather that they simply get an approval and hope for the best further promoting an underground movement in the mortgage sector.**
    - **That based on these points the proposed key changes are far from simple, consistent, or fair, and will likely promote non-transparency to an industry where the majority of non-qualified syndicated mortgage lenders have historically been fully compliant, transparent, and operate effectively in a relatively efficient competitive marketplace to the benefit of both the Borrowing Consumer and the Private Investor.**
    - **That imposing additional costs without first recognizing the difference between a “Fortress” type loan and other types of Non-Qualified Syndicated Mortgages is another miscalculated attempt to deal with Syndicated Equity at the expense of a larger and already more effective and efficient private lending marketplace.**
    - **The need to only require additional costs and special licensing for those companies that want to develop, manage and sell those higher risk products perhaps requiring both securities registration and mortgage brokerage registration.**

- **That any person selling a "High Risk Investment Product" require special training and/or certification since the problem has been limited to High Risk Products exclusively in funding development soft costs with no chance of capital repatriation in the event of default prior to a successful development and/or construction program.**

- **FSRA needs to be better prepared to be effective and therefore needs to better understand the Private Lending Industry and will need to hire and staff from the ranks of existing and retired mortgage professionals.**