

January 3, 2019

Mark E. White
Chief Executive Officer
Financial Services Regulatory Authority
130 Adelaide Street West, Suite 800
Toronto, ON M5H 3P5

Dear Mr. White:

Re: FSRA Rule 2019-001 – Assessments and Fees – Request for Public Comment

Mortgage Professionals Canada (MPC) is the national mortgage industry association representing over 11,000 individuals and 1,000 companies, including mortgage brokerages, lenders, mortgage insurers, and industry service providers. We are dedicated to maintaining a high standard of industry ethics, consumer protection, and best practices.

The mortgage broker channel we represent originates more than 35% of all mortgages in Canada and 55% of mortgages for first-time homebuyers, representing approximately \$80 billion dollars in annual economic activity; Ontario's activity represents greater than 60% of total amounts. With our diverse and strong membership, MPC is uniquely positioned to speak to issues impacting all aspects of the mortgage origination process.

We appreciate having already been provided the opportunity to discuss these issues as part of FSRA's Mortgage Brokering Sector industry advisory group. We are pleased to see some of our IAG comments have been incorporated into what is evolving into FSRA Rule 2019-001, which we also welcome the opportunity to comment on here.

The FSRA fee rule vision elements and principles are sound and reasonable, a good foundation for the authority and for our sector, and we trust they will continually guide FSRA. For now:

- we invite further discussion about separate fees for Alternative Lenders (SMI) once a separate registrant category is established;
- we recommend a mandatory review of fees and budgets with industry consultation prior to setting new price points, and also recommend that costs to our members – such as licensing - remain indexed to inflation where possible;
- we again ask that fines issued and AMPs collected should be retained by FSRA, rather than passing them on to general treasury operating revenues. Such revenues should be directed towards areas of potential misconduct or industry risk that the AMP was issued for, providing greater financial safeguards against specific systemic risks in the sector which may arise in future. Such provisioning also reduces the licensing cost burden for regulatory oversight for the vast majority of participants who operate appropriately, and ensures wrong doers pay an appropriately higher direct cost for their required oversight;
- we ask that regulatory complexity under your purview be avoided wherever possible.



We also have one recommendation regarding mandatory education for mortgage brokers: that the “relicensing” course continue to be a biennial requirement, even if licensing becomes an annualized renewal. We propose a continuation of the existing anniversary dates continue through the licensing change implementation.

We look forward to collaborating with you and your staff as you work to modernize financial services regulation in Ontario, together ensuring that consumers will continue to be educated and protected.

Sincerely,

A handwritten signature in black ink, appearing to be 'Paul Taylor', with a long horizontal flourish extending to the right.

Paul Taylor
President and CEO
Mortgage Professionals Canada