Dear Sirs,

To the request issued by FSRA regarding the distribution of Non-Qualified Syndicated Mortgage Investments (NQ-SMI’s) I am pleased to offer the following.

The recent releases by FSRA seem quite appropriate to deal with clarity to the consumer/investor. They do cover many of the aspects of the uniqueness and risk of an investment into a NQ-SMI. Because of the complexity of the mortgage product and the exposure factors that are attached to it, I strongly suggest that the sales distribution of the product be much more closely overseen by qualified brokers. To that end I suggest the following.

* Reasonable restrictions on who is responsible in the Brokerage for the overseeing of the sales of NQ-SMI’s .
* Only qualified licenced Mortgage Brokers may be authorized to **sign and witness** the Investors signatures on the appropriate applicable documents.
* The authorization to be an approved NQ-SMI sales representative broker can only be given by FSRA.
* The authorized broker must carry an appropriate amount of sufficient E&O.
* If the E&O is not available, then the individual must be appropriately Bonded.
* Said E&O or Bonding must be carried through to the Brokerage.

The criteria to attain the status of being an approved qualified NQ-SMI Broker can be determined by a joint task force of FSRA and skilled Industry participants. Whose task is to design a list of educational, professional and occupational criteria to be met by the broker candidate.

The failure of Industry participants or others who are not authorized to be involved in the sale of NQ-SMI’s should be penalized by AMP’s, Fines or any other disciplines that can be exercised by FSRA.

The current exemptions in the MBLAA *2006* from being licenced mortgage brokers and agents should be excluded from the selling or representing of NQ-SMI’s.

May I thank The Financial Services Regulatory Authority of Ontario, for giving the Industry an opportunity to comment of the handling and changes required in the distribution of Non-Qualified Syndicated Mortgages.

If there is a need for further discussion on this or other issues, please do not hesitate to contact this writer.

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Mortgage Broker and Mortgage Expert Witness