



November 3, 2020

Huston Loke
Executive Vice President, Market Conduct
The Financial Services Regulatory Authority of Ontario (FSRA)
5160 Yonge Street, 16th Floor
Toronto, Ontario M2N 6L9

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Dear Mr. Loke:

Re: FSRA Proposed FY2021-2022 Statement of Priorities

Thank you for this opportunity to comment on FSRA's Statement of Priorities for the upcoming fiscal year.

Mortgage Professionals Canada supports your priorities for the Mortgage Brokering sector as described in 8.1 of your proposed statement, specifically to "support government direction with respect to the recommendations of the MBLAA legislative review", recommendations outlined in the September, 2019 report, *Protecting and Modernizing Ontario's Mortgage Broker Industry*¹.

We especially look forward to working with FSRA on helping to implement Recommendation #2 from the aforementioned report, "Reducing Regulatory Burden by Establishing New Classes of Licensing". For reference, this is what we recommended to the Ministry of Finance in our [January 2019 MBLAA Legislative Review joint MPC/CMBA Ontario submission](#):

There is a distinction between arranging a mortgage and arranging the capital to lend for a mortgage; licensing should be updated to reflect this.

Mortgage brokers and agents have a duty to ensure clients and those providing funding understand what they are signing. In order to help the Financial Services Regulatory Authority of Ontario (hereinafter FSRA), and other provincial bodies have a better understanding of how many people are involved in the space and adequately counsel investors about the risks of any type of mortgage investment, any mortgage broker or agent raising capital separately should require additional mandatory certification and licensing. Although the above-noted licensing changes can be achieved without necessarily changing MBLAA itself (via "authority rules" under the FSRA Act, and MBLAA s.55(1)), we felt it important to also comment here.

On behalf of our thousands of members from Ontario, I also wish to take this opportunity to thank you and your team for your efforts to consult and work with MPC and all stakeholders regarding our mutual concerns, and note that FSRA's efforts have continued without issue through these most challenging times.

¹ <https://fin.gov.on.ca/en/consultations/mbla-report-september2019.html>



Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Taylor".

Paul Taylor
President and CEO
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About Mortgage Professionals Canada

Mortgage Professionals Canada (MPC) is the national mortgage industry association representing 12,000 individuals and 1,000 companies, including mortgage brokerages, lenders, insurers and industry service providers. Our members make up the largest and most respected network of mortgage professionals in Canada. MPC represents members' interests to government, regulators, media and consumers. Together, the association is dedicated to maintaining a high standard of industry ethics, consumer protection and best practices.

The mortgage broker channel originates over 35% of all mortgages in Canada and 55% of mortgages for first-time homebuyers, representing approximately \$80 billion dollars in annual economic activity. With our diverse and strong national membership, Mortgage Professionals Canada is uniquely positioned to speak to issues impacting all aspects of the mortgage origination process, with all levels of government in Canada.