



MORTGAGE
PROFESSIONALS
CANADA

November 9, 2022

HUSTON LOKE
Executive Vice President, Market Conduct
Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6

Sent via email

Dear Mr. Loke:

Re: Consultation on proposed 2023-24 statement of priorities and budget (ID 2022-012)

Mortgage Professionals Canada (MPC) represents more than 15,000 mortgage industry professionals from coast to coast. From mortgage brokers and brokerages, to lenders, insurers and industry service providers, our diverse members make up the largest and most respected network of mortgage professionals in the country.

We are proud to be the industry that creates possibility, fuels the economy and provides Canadians – and Ontarians – with choice when making the most important financial decisions of their lives.

Thank you for the opportunity to comment on FSRA's [proposed Statement of Priorities](#) (SOP). We appreciate the ongoing commitment to communicate regularly with stakeholders, and we look forward to working closely in the months and years ahead.

With over 9,500 members in Ontario, we are pleased to offer our recommendations on the Mortgage Brokering section of the SOP.

The Importance of Customized Financial Products

During a period of such market uncertainty, volatile interest rates and a historically high rate of inflation, it has never been more important to speak with a mortgage advisor to ensure Ontarians and their families are set up for success with a customized mortgage product that suits their unique personal circumstances and financial situation.

By way of example, Mortgage Investment Corporations (MICs) are considered to be an alternative lender, and were instituted by the Government of Canada to help counteract the effects of a predicted housing crisis caused by rapid population growth. Now with over 300 MICs across Canada, financing over \$13B of the country's mortgage debt load, MICs have become an essential player in the Canadian housing market.

From the traditional banks to smaller banks, as well as mortgage finance companies, credit unions and alternative lenders, the mortgage community of agents, brokers, lenders and service providers are

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committed to providing sound mortgage advice for Ontarians, while maintaining the highest standards for industry ethics, consumer protection and best practices.

Ensuring the Highest Industry Standards

We appreciate the shared priorities that exist between FSRA and MPC: to ensure a sustainable business culture that protects and respects consumers. Along these lines, we believe a core component must be raising the education standards required of mortgage professionals. More specifically, **we recommend that FSRA mandate that the length of all licensing courses (both in-person and online) be equivalent across providers. We recommend a minimum of five full days in class, or 32 hours online.** Anything less than that simply cannot offer the same level of instruction, quality of content, or student development. Ensuring a consistent duration for instruction and learning would be a tremendous step forward, and represent an ongoing commitment to the integrity of the industry.

Consumer Protection

Our members strongly believe that a mortgage product should be customized to fit the unique financial circumstances of each consumer, whether in Ontario or across the country. This commitment to the consumer extends throughout the life-cycle of the mortgage; it's not a transactional relationship. Accordingly, we take our branding responsibility and engagement with the consumer exceptionally seriously. We strive to ensure all points of access and contact are clear, accountable, and meeting all regulatory requirements.


In order to ensure we are meeting our advertising requirements, **we recommend an industry consultation to ensure the establishment of clear and consistent advertising and branding standards, including logos, team names, and licence numbers.**

A firm and concise operating framework for our industry would ensure any risk identified by FSRA is addressed and that no promotional material is false, misleading or misrepresentative. This framework, based on consultation with industry, would further support MPC and FSRA's joint priority of consumer protection and fair treatment.

We believe these recommendations and the policy context presented herein will help ensure a resilient and sustainable mortgage sector in full regulatory compliance.

On behalf of our over 9,500 members in Ontario, we wish FSRA success and look forward to its next steps.

Sincerely,



Lauren van den Berg