

FSRAO
25 Sheppard Ave West Suite 100
Toronto On M2N 6S6

Re: Discussion on Team Names for Mortgage Sector

Feb 14 2025

To Whom it May Concern,

I am glad that FSRAO is finally addressing the issue of team names for mortgage agents/brokers. This has been an ongoing debate in our industry and needs to have clear and fair guidelines around it.

I have been 35 years in financial services and have been a licensed Mortgage Broker for 24 years. In recent years, I have seen a number of "teams" within several brokerages advertising and branding team names. In the past it's my believe that FSRAO only allowed a person's name, title and license number to be advertised, thus adding a non-licensed team name would be contrary to the Act. Not to mention that FSRAO has put much emphasis on strict adherence to advertising guidelines.

Strangely enough, Life Insurance Agents do NOT have to list their license number, yet Mortgage Agents/Brokers do), so I'm not even sure why we bother with license numbers if other licensed individuals under FSRAO's responsibility do not need to include it. (I suppose that's a discussion for another time).

Team Names have been popping up now consistently in the last several years. It's my believe, that these teams are circumventing the regulation process of becoming a mortgage brokerage to avoid the ever-increasing administration, responsibility, and accountability that brokerages are under (AML, Suitability, AIR, Policy and Procedures, fines, etc.) If Team names should be allowed (like Real estate teams), then there should be very specific requirements for them and additional fees, otherwise, why would anyone want to set up a mortgage brokerage and just work as a team within another. I am also very concerned that these teams are not being adequately supervised by actual mortgage brokers. I've seen many teams having team-leads that are mortgage agents.

My proposal to you is that although it's not unreasonable to allow Team Names, there needs to be some clear rules and guidelines around it. Here's some I'd propose...

- Additional Licensing fee for a team name , ability to search, etc.
- E&O insurance for the brokerage has to name specifically the team names within the brokerage
- Clear list on who is supervising the team and their title (must be Mortgage Broker or above)
- Team Name is a registered business name or corp in Ontario / Canada and proven not to be a trademarked name already.
- Full Team disclosure on location, team members, etc.
- Required courses for team leads for supervision.

My point is that for many years team names have been ignored by Networks and by FSRAO – it's nice to see them financially being dealt with and I look forward to the upcoming guidelines webinar. I've also answered the questions below.

1. On a scale of 1 to 5, how likely will the new guidance on team names lessen client confusion? (1 = not likely, 5 = very likely).

2 – Most clients don't even care about a brokerage name or license number, they care about the individual agent/broker providing them with the service.

2. On a scale of 1 to 5, how likely will the new guidance on team names ensure the brokerage remains accountable for the team's conduct? (1 = not likely, 5 = very likely)

3 – it remains to be seen.

3. In your opinion, how can these requirements be strengthened to achieve these outcomes?

Per my comments above

4. On a scale of 1 to 5, how likely would the use of team names reduce the effectiveness of a brokerage? (1 = not likely, 5 = very likely)

5 – what's the point of brokerages anymore?

5. On a scale of 1 to 5, how likely would the use of team names reduce the effectiveness of the principal broker supervising those teams? (1 = not likely, 5 = very likely)

5 – PB's may feel it's not their full responsibility anymore

6. In your opinion, what could be done to improve the effectiveness of team names?

Per my comments above.

Thanks for your time, and I appreciate this matter being dealt with once and for all in a fair and reasonable way.

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