

Guidance

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New mortgage agent and broker licensing requirements

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Purpose

This Guidance^[1] provides FSRA’s interpretation and approach for the implementation of:

- the new licensing provisions set out in section 1, subsections 2(1)5, 2(1)6, 2(3) and sections 5, 5.0.1, 5.0.2 and 6 of Ontario Regulation 409/07: Mortgage Brokers and Agents: Licensing^[2] (“O. Reg. 409/07”) under the [Mortgage Brokerages, Lenders and Administrators Act, 2006](#) (“MBLAA”)^[3]
- new continuing education (“CE”) requirements per subsection 9(1)4 of O. Reg. 409/07

Scope

This guidance affects the following FSRA licensees:

- mortgage agents
- mortgage brokers
- mortgage brokerages

The guidance also applies to individuals applying for a new licence or individuals licensed in other provinces who are seeking a licence in Ontario.

Rationale and background

The 2019 [Report](#) to the Minister of Finance on the Legislative Review of the MBLAA (“2019 MBLAA Review Process”) recommended that the Ministry of Finance (“MOF”) work with FSRA, in consultation with the industry, to propose options for licensing schemes that better respond to the unique practices required by certain segments of the mortgage market.

Stakeholder feedback received during the 2019 MBLAA Review Process indicated that licensees working with private mortgage lenders and raising capital require a specific set of competencies, which should be reflected in the licensing and education requirements.

In response, the Government implemented effective April 1, 2023:

- a separate licence for mortgage agents who transact in private mortgages and arrange investments for private investors / mortgage lenders
- enhanced education and experience requirements for mortgage agents and brokers

The new licence for mortgage agents includes enhanced requirements that address the need for agents (as well as brokers) to have additional education, knowledge, and experience regarding private mortgages.

Private mortgages may have terms and conditions that pose unfamiliar risks to consumers,^[4] given that they are not underwritten in the same way as those offered by more traditional financial institutions. Mortgage agents and brokers must have the appropriate expertise to recommend products that meet consumers’ needs. They must take reasonable steps to properly understand, assess and inform consumers of any potential risks associated with private mortgages or mortgage investments.

The new mortgage agent licence and enhanced mortgage agent and broker requirements support the following outcomes:

- education/competency requirements that better align with activities in the mortgage market

- enhanced consumer protection as borrowers and lenders / investors receive appropriate levels of information and recommendations to make informed decisions relevant to their mortgages / mortgage investments
- enhanced confidence in the mortgage brokering industry as licensees are prepared for their career in the mortgage brokering sector

The implementation of the new licensing classes by FSRA aligns with:

- FSRA’s statutory objects as set out in the *Financial Services Regulatory Authority of Ontario Act, 2016* (“FSRA Act”), specifically:
 - to contribute to public confidence in the mortgage brokering sector
 - to promote high standards of business conduct
 - to protect the rights and interests of consumers
- Principles 4, 5 and 6 of the Mortgage Broker Regulators’ Council of Canada’s (MBRCC) [Code of Conduct](#) for the Mortgage Brokering Sector (“the MBRCC Code of Conduct”), which state:
 - Principle 4 – “Competence: Regulated persons must maintain the skills, knowledge, and aptitudes necessary for their business activities. They should decline to act when they are unable to provide products/services in accordance with this Code.”
 - Principle 5 – “Suitability: Regulated persons and entities must take reasonable steps to present products/services that are suitable for their client(s). They must have a sound understanding of how the products/services match the disclosed circumstances of their client(s).”
 - Principle 6 – “Disclosure: Regulated persons and entities must fully disclose material information to applicable parties in a transaction. Disclosures must be meaningful and made in an honest and timely manner.

Interpretation / Approach

Under subsections 2(3), 3(3) and 4(2) of the MBLAA, those who deal, trade, or lend in mortgages must be licensed by FSRA unless exempted from doing so as described under section 6. Individuals need to meet the licensing eligibility criteria in sections 2, 5, 5.0.1, 5.0.2, and 6 of O. Reg. 409/07.

New licensing classes

Effective **April 1, 2023**, the following new licence classes are established under sections 2, 5, 5.0.1 and 5.0.2 of O. Reg. 409/07 for individuals seeking a mortgage agent or broker licence in Ontario.

- **Mortgage agent level 1 licence** authorizes licensees to deal and trade^[5] in mortgages exclusively with lenders^[6] that are:
 - financial institutions, as defined in section 1 of the MBLAA; or
 - approved by [Canada Mortgage and Housing Corporation](#) (“CMHC”) under the [National Housing Act](#) (“NHA”)
- **Mortgage agent level 2 licence** authorizes licensees to deal and trade in mortgages with mortgage lenders that are:
 - financial institutions, as defined in section 1 of the MBLAA
 - lenders approved by CMHC under the NHA; or
 - all other mortgage lenders, such as mortgage investment companies, syndicates, private individuals, agents, brokers, and brokerages
- **Mortgage broker licence** authorizes licensees to deal and trade in mortgages with mortgage lenders that are:
 - financial institutions, as defined in section 1 of the MBLAA

- lenders approved by CMHC under the NHA; or
- all other mortgage lenders, such as mortgage investment companies, syndicates, private individuals, and brokerages

Mortgage brokers can supervise mortgage agents (levels 1 and 2) and can be appointed as the principal broker for a brokerage.

Individual licensee accountability in transactions

Level 2 mortgage agents and brokers may engage level 1 mortgage agents in private mortgage transactions for training purposes. In these circumstances, the mortgage agent level 1 must not hold out or represent to clients that they are qualified to complete private mortgage transactions. The mortgage agent level 2 and/or the mortgage broker are accountable to clients for these transactions. See [Appendix 1](#) for more details.

New licensing requirements

For the new licensing classes, licence applicants must meet the education and experience requirements set out in [Table 1](#).

Subsections 2(1)5, 2(1)7, 5.0.1(1)5 and 5.0.2(1)5 of O. Reg. 409/07 require that individuals seeking to obtain a licence successfully complete an education program approved by FSRA^[7]. The education programs that FSRA has approved for the new licensing classes are found in [Table 1](#).

The mortgage agent level 2 and broker education programs include a Private Mortgages Course. The objective of the course is to ensure that licensees have enhanced knowledge about the regulatory framework, transaction processes and risks (including risk of fraud) associated with private lending. The course aligns with the [MBRCC Private Lending Competencies and Curriculum](#) and the MBRCC Code of Conduct.

Subsections 2(1)6 and 5.0.2(1)6 of O. Reg. 409/07 set out the experience requirements to obtain the mortgage agent level 2 and mortgage broker licences included in [Table 1](#).

The education and experience requirements for the new licensing classes effective April 1, 2023 are found in [Table 1](#). They apply to individuals not covered by the transition timelines in [Table 2](#).

Table 1: Licensing and Experience Requirements effective April 1, 2023

Requirement	Mortgage agent level 1	Mortgage agent level 2	Mortgage broker
Experience	No experience required.	Applicants must have at least 12 months experience over the last 24 months as a mortgage agent level 1.	Applicants must have at least 24 months experience over the last 36 months as a mortgage agent level 2.
Licensing education	<p>Applicants must:</p> <ul style="list-style-type: none"> a. successfully complete the mortgage agent level 1 education program approved by FSRA b. apply for a mortgage agent level 1 licence within two years of successfully completing the approved education program. 	<p>Applicants must:</p> <ul style="list-style-type: none"> a. successfully complete the mortgage agent level 2 education program approved by FSRA b. apply for a mortgage agent level 2 licence within two years of successfully completing the approved education program 	<p>Applicants must:</p> <ul style="list-style-type: none"> a. successfully complete the mortgage broker education program approved by FSRA b. apply for a mortgage broker licence within three years of successfully completing the approved education program

Requirement	Mortgage agent level 1	Mortgage agent level 2	Mortgage broker
<p>Approved education program</p>	<p>The mortgage agent Level 1 education program consists of:</p> <ul style="list-style-type: none"> • Mortgage Agent Level 1 Course 	<p>The mortgage agent level 2 education program consists of:</p> <ul style="list-style-type: none"> • Mortgage Agent Level 1 Course plus • Private Mortgages Course 	<p>The mortgage broker education program consists of:</p> <ul style="list-style-type: none"> • Mortgage Agent Level 1 Course plus • Private Mortgages Course plus • Broker Course
<p>Continuing Education</p>	<p>Subsection 9(1)4 of O. Reg. 409/07 addresses the continuing education requirements for licensees to renew their licence. See requirements in Table 4</p>		

Transition to the new licensing requirements

Transition milestones

The transition period for the new licensing requirements starts April 1, 2023 and ends March 31, 2024. Below are the key transition milestones:

- **Spring 2022: Final amendments to O. Reg. 409/07 and FSRA Guidance effective**
- **Early 2023: Private Mortgages Course and Challenge Exam available**

Licensees who choose to transition to the mortgage agent level 2 or mortgage broker licence can begin taking the Private Mortgages Course or Private Mortgages Course Challenge Exam (“Challenge Exam”).

- **April 1, 2023: New licensing classes come into force**

As of April 1, 2023, mortgage agents and brokers will be issued the mortgage agent level 1, level 2, and broker licences, based on the requirements described in [Table 2](#). Existing licensees will be issued a new licence as part of the 2023 licensing renewal^[8] cycle.

- **October 31, 2023: Deadline to complete the Challenge Exam**

Eligible individuals who choose to complete the Challenge Exam must pass the exam by October 31, 2023.

- **March 31, 2024: Final date to complete the Private Mortgages Course**

Mortgage agent level 2 and mortgage brokers must complete the Private Mortgages Course and apply to renew their licence before March 31, 2024. Licensees who do not meet the education requirements will automatically be transitioned to the mortgage agent level 1 licence upon renewing their licence.

Demonstration of private lending competencies

All existing licensees who are eligible and wish to transition to the mortgage agent level 2 or mortgage broker licence must demonstrate their competency in dealing and trading in private mortgages as described in [Table 2](#), by either:

- completing a FSRA-accredited^[9] Private Mortgages Course;^[10] or
- passing a FSRA-accredited Challenge Exam

The Challenge Exam option is **ONLY** available to agents and brokers who have five or more years of continuous licensing experience^[11].

The Challenge Exam:

- is available to those who believe they have the experience and competencies reflected in the new education requirement to be a mortgage agent level 2 or mortgage broker
- may only be attempted once; individuals who do not pass the Challenge Exam must complete a Private Mortgages Course

The Private Mortgages Course^[12] and Challenge Exam are based on the MBRCC’s Private Lending Competencies and Curriculum. They are designed to ensure that licensees have the competencies to transact in private mortgages in a manner consistent with the MBRCC Code of Conduct and the MBLAA requirements.

Table 2: Transition Period Requirements – April 1, 2023 – March 31, 2024

[Appendix 2](#) provides examples of how the new requirements will be applied in different scenarios.

Licensing history	Current licence	Requirement for new licence
Individuals with five or more years of continuous licensing as of April 1, 2023.	Mortgage agent	To transition to mortgage agent level 2, individuals must: <ul style="list-style-type: none"> • complete the Private Mortgages Course by March 31, 2024 or • pass the Challenge Exam by October 31, 2023
	Mortgage broker	To maintain their mortgage broker licence, individuals must:

Licensing history	Current licence	Requirement for new licence
		<ul style="list-style-type: none"> complete the Private Mortgages Course by March 31, 2024 or pass the Challenge Exam by October 31, 2023 Brokers who do not meet the new education requirements will transition to the mortgage agent level 1 licence upon licence renewal on April 1, 2024 and cannot carry out activities as a principal broker
<p>Individuals with less than five but one or more years of continuous licensing as of April 1, 2023.</p>	<p>Mortgage agent</p>	<p>To transition to mortgage agent level 2, individuals must:</p> <ul style="list-style-type: none"> complete the Private Mortgages Course by March 31, 2024
	<p>Mortgage broker</p>	<p>To maintain their mortgage broker licence, individuals must:</p> <ul style="list-style-type: none"> complete the Private Mortgages Course by March 31, 2024 Brokers who do not meet the new education requirements will transition to the mortgage agent level 1 licence upon licence renewal on April 1, 2024 and cannot carry out activities as a principal broker

Licensing history	Current licence	Requirement for new licence
<p>Individuals with less than one year of continuous licensing</p>	<p>Mortgage agent</p>	<p>To transition to mortgage agent level 2, individuals must:</p> <ul style="list-style-type: none"> • attain one year of experience; and • complete the Private Mortgages Course <p>See Table 1 for further details.</p>
	<p>Mortgage broker</p>	<p>To maintain their mortgage broker licence, individuals must:</p> <ul style="list-style-type: none"> • complete the Private Mortgages Course by March 31, 2024 • Brokers who do not meet the new education requirements will transition to the mortgage agent level 1 licence upon licence renewal on April 1, 2024 and cannot carry out activities as a principal broker <p>Existing Brokers are exempt from attaining two years' experience as an agent level 2 prior to transitioning to the new broker licence.</p>

Transition requirements for former licensees / reinstated licences

Under subsection 3(1) and section 6 of O. Reg. 409/07, an individual who was previously licensed by FSRA is exempted from the prescribed education and experience requirements if the individual was licensed at any time during the last 24 months before applying for a licence.

For the purposes of the transition to one of the new licensing classes, individuals who apply to reinstate their licence post April 1, 2023 must meet the requirements in [Table 2](#). [Appendix 2](#) includes examples of the requirements when former licensees are applying to reinstate their licence during the transition period.

Licensing fees

Subsection 21(2) of the FSRA Act provides FSRA with authority to make rules governing fees and other charges deemed appropriate for its operation.

The licensing fees for a mortgage agent or mortgage broker licence are set by FSRA's Fee Rule. In the 2022-2023 fiscal year, FSRA will be reviewing the mortgage broker sector fees set in FSRA Fee [Rule](#) 2019-001. FSRA will post for public consultation any proposed changes to the Fee Rule.

New Continuing Education requirements effective April 1, 2023

Under subsection 9(1)4 of O. Reg. 409/07, licensees must complete a FSRA-approved continuing education (CE) requirement to renew their licence.

FSRA is enhancing the CE requirement to ensure that licensees obtain and maintain the skills and knowledge that are consistent with changes in the mortgage market.

FSRA's enhanced CE requirement includes two types of learning outcomes (see [Table 3](#)):

Table 3: FSRA's CE Learning Outcomes

Conduct CE requirements

FSRA selects topics, learning objectives and outcomes that help ensure licensees remain current on topics identified as important by FSRA.

- **Outcome: Agents and brokers conduct mortgage brokering activities in compliance with the MBLAA and its regulations, and topics identified as important by FSRA.**

Technical Knowledge / Professional Development CE requirements

- **Outcome: Agents and brokers apply up-to-date technical knowledge in their area of focus**

- conduct CE must be delivered by a provider of a FSRA-accredited mortgage agent course
- conduct CE hours required may vary depending on the topics selected by FSRA. In general, the required hours may range between 5 to 10 hours every two years

Licensees select professional development topics and learning objectives and outcomes that relate to the licensee's business focus.

- licensees may select Technical Knowledge / Professional Development CE courses from various education providers, including providers whose courses are not accredited by FSRA
- licensees are required to complete 10 hours of Technical CE hours every two years

The new CE requirements are being phased in.

What stays the same:

- licensees must complete the appropriate CE requirement every two years, by March 31, in a year ending with an even number
- the term of the **CE cycle** remains unchanged at two years. It runs from April 1 to March 31 — for example, April 1, 2020 to March 31, 2022 (and so on every two years)
- FSRA typically provides the sector with details of the CE requirement in the fall

What is new:

Licensees must complete the FSRA CE requirements by licence category outlined in [Table 4](#) beginning with the April 1, 2024 to March 31, 2026 cycle. That is, the new conduct and technical knowledge requirements will be required by March 31, 2026.

Table 4: FSRA Conduct and Technical Knowledge / Professional Development CE Requirements^[13]

Licence Category	Conduct CE (new program to be implemented March 31, 2026)	Technical Knowledge / Professional Development CE (new program to be implemented March 31, 2026)	Total CE Hours
Mortgage agent level 1	5 - 8 hours	10 hours	15 -18 hours
Mortgage agent level 2	5 - 8 hours	10 hours	15 -18 hours

Licence Category	Conduct CE (new program to be implemented March 31, 2026)	Technical Knowledge / Professional Development CE (new program to be implemented March 31, 2026)	Total CE Hours
Mortgage broker	5 - 10 hours	10 hours	15 -20 hours

Labour mobility

The [Canadian Free Trade Agreement](#) (CFTA) and the [Ontario Labour Mobility Act, 2009](#) (OLMA) make it easier for individuals licensed in another Canadian province or territory to apply for and receive a licence for the same occupation in Ontario.

See FSRA’s website^[14] for the requirements for individuals licensed in a Canadian province or territory outside of Ontario applying for a licence in Ontario.

Applications for education and experience equivalency

Under subsections 2(2), 5.0.1(2) and 5.0.2(2) of O. Reg. 409/07, FSRA may issue to an individual a mortgage agent or mortgage broker licence, if FSRA is satisfied that the individual has the education and experience equivalent to the applicable requirements.

Individuals who wish to obtain a licence, and who have relevant experience and education in a related field but not in the mortgage brokering sector, may apply to FSRA to demonstrate if they meet the applicable requirements for any of the new licensing classes:

- mortgage agent level 1 licence
- mortgage agent level 2 licence

- mortgage broker licence

Individuals must successfully complete the Private Mortgages Course once FSRA has approved their application for equivalency for the mortgage agent level 2 or mortgage broker licence. If FSRA refuses the application, the individual cannot reapply for a licence for 12 months, as per subsections 4(2) and 8(2) of O. Reg. 409/07.

For more information regarding FSRA's education equivalency requirements, see: [Education equivalency requests for a mortgage agent or broker licence](#)

Supervision approach and principles

FSRA's supervision approach has not changed as a result of the new mortgage agent and mortgage broker licensing requirements. FSRA's general approach to supervision continues to reflect:

- Proactive, Risk-based Approach – FSRA focuses its supervision on high-risk licensees and activities posing a higher risk of consumer harm. FSRA targets its supervision resources based on the establishment of risk criteria and the risk profiling of mortgage brokerages. Risk profiling considers numerous factors such as:
 - number of brokers, agents, and locations
 - compliance history of the brokerage and its sponsored brokers and agents, including complaints received and supervision review outcomes
- Focus on Oversight and Controls – FSRA expects brokerages to have effective internal processes and supervision to promote high standards of conduct and to effectively identify and manage conduct risks that could lead to poor or unfair outcomes for consumers
- Proportionate Approach to Discipline – FSRA uses a range of compliance and enforcement tools to influence marketplace behaviour and ensure compliance with the MBLAA and its regulations. The tools used depend on, for example, the nature and extent of risks to consumers, mitigating actions taken by licensees, and past supervisory findings

Compliance and enforcement

The MBLAA requires that licensees only engage in mortgage brokering activities permitted under their licence.

Failure to comply with licensing requirements may result in supervisory or enforcement action against the licensees, their brokerages and their principal brokers. FSRA's supervisory and enforcement actions include letters of warning, the imposition of licence conditions, suspension, revocation, enforcement proceedings seeking administrative monetary penalties, and public warning notices.

FSRA will carry out these compliance activities under subsection 35(1) of the MBLAA.

Effective date and future review

This Guidance becomes effective on April 21, 2022 and will be reviewed no later than April 21, 2025. This Guidance was updated on April 11, 2023 to include a link to FSRA's website regarding requirements for individuals licensed in a Canadian province or territory outside of Ontario applying for a licence in Ontario.

The Guidance was updated on May 26, 2023 to include a footnote with links to FSRA's webpages with information on the local knowledge requirement for out-of-province licensees applying for an Ontario broker, agent level 1 or agent level 2 licence.

About this guidance

Interpretation guidance sets out FSRA's view of requirements under its legislative mandate (i.e., legislation, regulations and rules) so that non-compliance can lead to enforcement or supervisory action.

Approach guidance describes FSRA's internal principles, processes and practices for supervisory work, action, and application of CEO discretion.

Visit [FSRA's Guidance Framework](#) to learn more

Appendix 1: Mortgage Agent Level 1 scope of work scenarios

1. Can a mortgage agent level 1 job shadow a mortgage agent level 2?

Yes. A mortgage agent level 1 can job shadow a mortgage agent level 2 or broker, for the purposes of training. The new licensing classes are not intended to prevent brokerages from training a mortgage agent level 1 on private mortgages, provided only a mortgage agent level 2 or a broker is accountable to clients for these private mortgage transactions.

2. Can a mortgage agent level 1 receive compensation for work completed while job shadowing?

Mortgage brokerages are responsible for the remuneration of agents and brokers^[15] and, therefore, determine whether a mortgage agent level 1 will receive compensation for work completed while job shadowing. This decision is based on the business model of each mortgage brokerage. The brokerage should outline the specific tasks that are subject to remuneration. Such remuneration should not be perceived as anything other than remuneration for the tasks related to job shadowing.

3. Can a mortgage agent level 1 conduct suitability assessments for private lenders?

No. A mortgage agent level 1 can only conduct suitability assessments with respect to dealing or trading in mortgages with lenders that are financial institutions or CMHC approved lenders under the NHA. A mortgage agent level 2 and broker can conduct suitability assessments with respect to dealing or trading in mortgages / mortgage investments with all mortgage lenders, including private lenders.

Appendix 2: Transition requirement scenarios

The following scenarios are provided to help existing and former licensees understand the transition requirements for the new licensing classes.

General transition scenarios

1. I obtained my mortgage agent licence in January 2023 and will have three months licensing experience as of April 1, 2023. What class of licence will I obtain from FSRA when the new licensing regime comes into force?

When you renew your licence for the April 1, 2023 licensing cycle, you will be issued the mortgage agent level 1 licence because you have less than one year of continuous licensing experience.

You can apply for a mortgage agent level 2 licence in February 2024, once you have one year of continuous licensing experience and have successfully completed the Private Mortgages Course.

2. I obtained my mortgage agent licence in April 2019 and will have four years of continuous licensing experience as of April 1, 2023. What class of licence will I obtain from FSRA when the new licensing regime comes into force?

When you renew your licence for the April 1, 2023 licensing cycle, you will have the option to transition to:

- mortgage agent level 2 because you have at least one year of continuous licensing experience. You must successfully complete the Private Mortgages Course by March 31, 2024. If this requirement is not met, you will be transitioned to the mortgage agent level 1 licence on April 1, 2024; or
- mortgage agent level 1. You do not need to complete the Private Mortgages Course if you would like to obtain a mortgage agent level 1 licence

See [Table 2](#) in the Guidance for more information on the transition requirements.

3. I obtained my mortgage agent licence in April 2016 and will have seven years of continuous licensing experience as of April 1, 2023. What class of licence will I obtain from FSRA when the new licensing regime comes into force?

When you renew your licence for the April 1, 2023 licensing cycle, you will have the option to transition to:

- mortgage agent level 2. Since you have at least five years of continuous licensing experience, you can complete the Challenge Exam or the Private Mortgages Course. You must successfully complete the Challenge Exam by October 31, 2023 or the Private Mortgages Course by March 31, 2024. If this requirement is not met, you will be transitioned to the mortgage agent level 1 licence on April 1, 2024

- mortgage agent level 1. You do not need to complete the Private Mortgages Course if you would like to obtain a mortgage agent level 1 licence

See [Table 2](#) in the Guidance for more information on the transition requirements.

4. I have mortgage broker qualifications, but I am currently licensed as a mortgage agent. Can I apply for a mortgage broker licence during the transition period?

Yes. You can apply for a mortgage broker licence if you have been licensed for a total of at least 24 of the 36 months as a mortgage agent, agent level 1 or agent level 2 immediately before applying for the broker licence. You will need to confirm that you successfully completed the Mortgage Broker Course in the three years before applying for the mortgage broker licence. You must also successfully complete the Private Mortgages Course by March 31, 2024. See [Table 2](#) in the Guidance for more information on the transition requirements.

5. I obtained my mortgage broker licence in April 2016 and will have seven years of continuous licensing experience as of April 1, 2023. What are the requirements to obtain a mortgage broker licence when the licensing regime comes into force?

When you renew your licence for the April 1, 2023 licensing cycle, you will be issued the new mortgage broker licence. Since you have at least five years of continuous licensing experience, you can complete the Private Mortgages Course or the Challenge Exam.

You must successfully complete the Challenge Exam by October 31, 2023 or the Private Mortgages Course by March 31, 2024. If this requirement is not met, you will be transitioned to the mortgage agent level 1 licence on April 1, 2024. See [Table 2](#) in the Guidance for more information on the transition requirements.

6. I am currently a principal broker and have ten years of continuous licensing experience as a mortgage broker. What happens if I fail the Challenge Exam and do not complete the Private Mortgages Course during the transition period?

Individuals are encouraged to take the Challenge Exam before October 31, 2023 so that if they are unsuccessful, they have adequate time to complete the Private Mortgages Course. You must successfully complete the Challenge Exam by October 31, 2023 or the Private Mortgages Course by March 31, 2024.

You will be issued the mortgage agent level 1 licence on April 1, 2024 if you fail the Challenge Exam and do not complete the Private Mortgages Course by March 31, 2024. There is also the risk that the mortgage brokerage's licence could be suspended. FSRA will work with the mortgage brokerage to obtain another principal broker.

Licence reinstatement scenarios

- 1. I was previously licensed as a mortgage agent from February 2018 to March 2022 and have four years of continuous licensing experience. What are the requirements to reinstate my licence when the new licensing classes come into force?**

If you apply on April 1, 2023 to reinstate your licence, you will be issued the mortgage agent level 2 licence, because you have at least one year of continuous licensing experience. You must successfully complete the Private Mortgages Course by March 31, 2024, or you will be transitioned to the mortgage agent level 1 licence on April 1, 2024.

If you choose to reinstate as a mortgage agent level 1 rather than a mortgage agent level 2, you do not need to complete the Private Mortgages Course. See [Table 2](#) of the Guidance for more information on the transition requirements to reinstate a licence.

- 2. I was previously licensed as a mortgage broker from February 2016 to March 2022 and have more than five years continuous licensing experience as a broker. What are the requirements to reinstate my licence when the new licensing classes come into force?**

If you apply on April 1, 2023 to reinstate your licence, you will be issued a mortgage broker licence. Since you have at least five years of continuous licensing experience, you can complete the Private Mortgages Course or Challenge Exam.

You must successfully complete the Challenge Exam by October 31, 2023 or the Private Mortgages Course by March 31, 2024. If this requirement is not met, you will be transitioned to the mortgage agent level 1 licence on April 1, 2024.

If you choose to reinstate as a mortgage agent level 1 rather than a mortgage broker, you do not need to complete the Private Mortgages Course or Challenge Exam. See [Table 2](#) for more information on the transition requirements to reinstate a licence. FSRA stops accepting licence reinstatement applications the last two weeks of March each year. Therefore, you will need to apply to reinstate your licence as soon as possible.

3. I was previously licensed as a mortgage agent from February 2015 to March 2019. What are the requirements to reinstate my licence when the new licensing classes come into force?

Individuals must have been licensed at any time during the last 24 months before applying to reinstate a licence. You cannot reinstate your licence if you apply on April 1, 2023 because it has been more than two years that your licence has expired. You will need to complete the mortgage agent course and apply for a new mortgage agent level 1 licence.

Reference

[MBRCC Code of Conduct](#)

[MBRCC Private Lending Competencies and Curriculum](#)

[Canadian Free Trade Agreement](#)

^[1] This guidance is a combination of Interpretation and Approach under FSRA's Guidance Framework.

^[2] [These amendments will be reflected in the consolidated regulation in due course.](#)

^[3] Subsections 8(1) and 8(3)2 of O. Reg. 187/08: Mortgage Brokers and Agents: Standards of Practice were also amended to address the new licensing requirements. [These amendments will be reflected in the consolidated regulation in due course.](#)

^[4] Consumers include borrowers, lenders / investors, and prospective clients

^[5] The mortgage agent level 1 can trade in syndicated mortgages where all the lenders in the syndicate are financial institutions or CMHC NHA approved lenders.

^[6] In the case of a mortgage agent level 1 licence holder who is authorized to deal in mortgages on behalf of a brokerage that is a finance company, the mortgage agent level 1 licence holder may deal or trade in mortgages for the brokerage if the brokerage is the lender or is an affiliate of the lender (See s. 5.01(3)2 of O. Reg. 409/07).

^[7] Both the Chief Executive Officer (CEO) of FSRA and FSRA may exercise regulatory authority under the MBLAA. However, for the purposes of this Guidance, reference will only be made to FSRA, as the CEO may delegate authority to FSRA staff, as permitted by s. 10(2.3) of the *Financial Services Regulatory Authority of Ontario Act, 2016*.

^[8] Renewal applications include current licensees transitioning to a new licence class.

^[9] See FSRA's Interpretation and Approach Guidance on the [Accreditation of Licensing Courses for the Mortgage Brokering Sector](#).

^[10] The applicant must complete the course and pass the exam for the course.

[11] The term “continuous licensing” in this document allows for one absence from licensing due to licence termination, surrender or not authorized to sell status for a maximum of two years.

[12] The Private Mortgages Course includes an exam as part of the final step towards completing the course.

[13] CE hours cannot be carried over into the next CE cycle.

[14] [Agent level 1](#), [agent level 2](#), [broker](#)

[15] Subsection 4(1) of O. Reg. 187/08 under the MBLAA.