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FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

Mortgage Administrator Licence Application - Instructions for completing the application

Purpose

Under the Mortgage Brokerages, Lenders and Administrators Act, 2006, *as amended* (the Act), a Mortgage Administrator must be licensed unless exempted to do so. This form is to be used by every corporation, partnership and sole proprietor (unincorporated business) seeking a licence as a Mortgage Administrator.

The Superintendent of Financial Services will use the information obtained in this application to determine whether an applicant meets the prescribed eligibility requirements and is suitable for a licence. This application's purpose is to collect this information. The applicant will be required to submit documents to support certain pieces of information about the business and the Sole Proprietor or Directors/Officers/Partners.

To ensure a timely and efficient review of your application, please provide complete and correct information as well as the required supporting documents.

A separate application is required to be licensed as a mortgage brokerage.

Before you begin the application you will need:

1. Identify the principal representative and contact information for the person including an email address.
2. Official documentation about your business such as the Articles of Incorporation if a corporation, the partnership agreement if a partnership, the Master Business Licence if the business uses a business or trade name, and a list of the directors/officers/partners as applicable of the business.
3. A copy of the business's errors & omissions insurance certificate and policy.
4. Specific documentation such as the trust account information and the external auditor's contact information.
5. Ontario mailing address for service or registered mail; cannot be a post office box.

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Process

The application must be completed and submitted to FSCO. FSCO will send to the applicant an email acknowledgement upon receipt of the application. FSCO will advise the principal representative if the application is in order to proceed to the next step in the process. In the next step the applicant will prepare and submit the online declarations for all of the directors/officers/partners or for the sole proprietor via FSCO's online licensing system. All directors/officers/partners or a sole proprietor (DOPs) are required to provide confirmation of their suitability for licensing of the administrator.

A mortgage administrator's licence can only be approved or issued when all the declarations from DOPs are received and reviewed by FSCO. Once the administrator's licence has been approved a confirmation is sent by e-mail to the licensing system primary user. No paper licence is issued.

For additional information on the mortgage administrator licensing process see FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/industry.aspx.

The public official at FSCO who can answer questions about the collection of personal information is: Manager, Licensing Approvals, Licensing and Market Conduct Division, 5160 Yonge Street, 16th floor, Toronto ON M2N 6L9, email: contactcentre@fSCO.gov.on.ca, telephone (416) 250-7250.

Completing and submitting the application form

- An incomplete application may result in delays in processing the application.
- This application form must be legible. Complete by using the fillable pdf form capabilities, print and sign the application.
- Include copies and not originals of any documents when supporting documents or information is required.
- The application form and supporting documents may be sent to FSCO by mail to the Licensing Branch at 5160 Yonge Street, Toronto ON M2N 6L9, or a scanned copy by email to contactcentre@fSCO.gov.on.ca.

Mortgage Administrator licensing information

FSCO is required to maintain a public registry of licensed mortgage administrators.

Consistent with FSCO's role in protecting the public interest FSCO collaborates with other organizations, including other regulators, fraud prevention organizations and law enforcement agencies. Please be advised that the applicants' and licensed business's licensing information (e.g. licence number, licence status, legal business address, and name of the directors/officers/partners and sole proprietor) may be shared with organizations that collect and use this information, only as reasonably necessary, to enable them to detect, suppress and prevent fraud, and for law enforcement purposes.

more details.

Fees

Fees to complete the application process are required but are not submitted with the application. Fees are collected via the online licensing system when the administrator submits the first declaration for a director/officer/partner or sole proprietor of the administrator. The fees are based on a two-year cycle. The fee due is prorated based on when the application is submitted. Once licensed, every administrator must pay a regulatory fee in respect of each new two-year cycle. This fee is due every second year on March 31.

For more information on fees see FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/fee_schedule.aspx.

Detailed instructions

The application has six parts:

- Part A - Attestation, consent and notification
- Part B - Applicant information
- Part C - Business information
- Part D - Suitability for a licence
- Part E - Directors/Officers/Partners
- Part F - Application checklist

Parts A, B, C and D of the application must be completed.
Part E must be completed if the applicant is other than a Sole Proprietor.
Part F is a checklist to ensure your application package is complete.

Part A – Attestation, consent and notification

A director/officer, partner or sole proprietor of the administrator must sign this application. The person signing must declare that the statements, declarations and answers provided, including attachments, are true and complete.

Any false, deceptive or misleading statement or omission in an application or supporting material may result in refusal or revocation of the licence, prosecution or other sanctions.

Any false, deceptive or misleading information provided to the Superintendent or a person designated by the Superintendent in respect to matters of this Act or Regulation is an offence under section 45 of the Mortgage Brokerages, Lenders and Administrators Act, 2006, as amended.

The person signing the application is providing consent on behalf of the applicant for the collection and validation of the information in this application and to share and disclose any of the information to other licensing authorities, regulatory bodies or law enforcement agencies for any purpose to law enforcement.

Part B – Applicant information

This part collects key pieces of information about the applicant that will be included in the registry for

identification and administrative purposes. Items 1, 3, 5 and 8 may be shared with the public.

1. Business type and legal name

The licence must be held by a business in one of the following three accepted forms. Chose one of three:

- a) Corporation
- b) Partnership
- c) Sole Proprietor (unincorporated business)

State the full legal name of the corporation, partnership or sole proprietor:

- Corporation – the name specified in the articles of incorporation or the latest articles of amendment or articles of amalgamation or articles of continuance.
- Partnership – the name as it appears on the partnership agreement, registered as the firm name with the Ministry of Government and Consumer Services (if different than the full name of the partners). List the names of all partners within the partnership, and the type of partnership.
- Sole Proprietor – is the sole proprietor's legal name in Canada (must be a resident of Canada).

In the case of a partnership in which not all partners are individuals, an organizational chart identifying the partners and the structure of the partnership must be provided. In the case of a limited partnership, identify the general partner and each of the limited partners. For corporate partnerships, list the officers and directors for each partner.

2. Corporation or Partnership information

When the business form is a corporation or partnership provide the following information:

- a) Corporation Number – provide the Ontario Corporation Number issued by the Ministry of Government and Consumer Services or the Corporation Number issued by the Government of Canada.
- b) Jurisdiction of Incorporation – provide the jurisdiction of incorporation (Federal / Provincial).
- c) Jurisdiction of Formation – If partnership – provide the jurisdiction of formation (Province).

3. Registered business name/ trade name

If the corporation / partnership / sole proprietor will be conducting business in a name other than, or in addition to its legal name, set the name out here. An administrator may use one other name in addition to its legal name. The name must be registered to the corporation / partnership / sole proprietor under the Business Names Act.

A licence cannot be issued to a corporation / partnership / sole proprietor using a name that is confusingly similar to that of another licensee or is otherwise objectionable on public grounds.

4. Participation in franchise

If a corporation / partnership / sole proprietor intends to carry on business using a franchise name, the franchise name must be included in either its legal or the registered business name. The corporation / partnership / sole proprietor must have authorization from the franchisor to use its franchise name.

5. Name of principal representative

Provide the name and email address of the person that is designated as the contact person for the administrator. This person will be addressed as the principal representative.

6. Licensing system user

Provide the name and email address of the primary licensing system user for the administrator. The principal representative and the primary licensing system user can be the same or different individuals. The licensing system is the online application system for use by the administrator to submit declarations for its directors and officers, partners or the sole proprietor.

Primary licensing system user:

The primary licensing system user designated by the administrator is responsible for implementing and exercising security precautions to control access to and use of the licensing system and password protection. They will do so with at least the same degree of care and to the same standards as exercised by the administrator for the administrator's own confidential and proprietary information. The primary licensing system user shall make certain that they and the administrator's other administrative users (if any) only, will be permitted access to and use of the licensing system administrative features.

In the event that the primary licensing system user becomes aware of any unauthorized access to the licensing system, they shall promptly notify FSCO's Manager, Licensing Compliance via email at elicense@fsc.gov.on.ca. FSCO's Manager, Licensing Compliance shall discontinue the administrator's access to the licensing system until security is re-established by the administrator to the satisfaction of both FSCO and the primary licensing system user.

The primary licensing system user will be responsible for approving all data entered by them or by other administrative users (if any). The primary licensing system user is the central contact for the administrator on any and all matters related to the licensing system.

Administrative users:

The primary licensing system user has the ability to provide access to other users. Depending on the security access granted to administrative users by the primary licensing system user they can initiate new declarations, approve declarations for submission to FSCO, and initiate / approve reports regarding change of status. Administrative users can also be provided with access to all the reporting features available through the licensing system.

7. Principal place of business – Ontario

Address in Ontario where the corporation / partnership / sole proprietor will carry out its mortgage administration activities and/or maintain its records. A business address cannot be a post office box number.

8. Mailing address for service in Ontario

A licensee must have a mailing address in Ontario. It cannot be a post office box number and must permit service by registered mail.

9. Business contact information

Administrators must have and continue to have an operating telephone number.

Notices and legal documents are considered to have been served by the Superintendent if they were sent by fax to the number listed in FSCO's records.

10. Branch offices

If the corporation / partnership / sole proprietor will have any offices open to the public in Ontario ("branch offices") other than the principal place of business, list the address, and telephone numbers of the branch offices.

11. Do you have an Ontario mortgage brokerage licence?

Provide details if the business holds a mortgage brokerage licence.

Part C – Business information

This part of the application collects relevant information about the business such as information for the prescribed eligibility requirements as well as requirements to obtain and hold an administrator licence in good standing. This part also identifies the key pieces of information related to its licence once licensed that must be kept up to date.

1. Business policies and procedures

Administrators must comply with standards of practice and reporting requirements under the Act and its regulations. This section highlights key requirements to maintain a licence in good standing and requires the applicant to confirm awareness of such requirements.

2. Errors and omissions insurance

Administrators must have errors and omissions insurance issued by an approved issuer with extended coverage for loss resulting from fraudulent acts, covering the administrator.

Refer to FSCO's website at www.fSCO.gov.on.ca/en/mortgage/Pages/industry.aspx, for more information on errors and omissions insurance and the approved list of issuers.

3. Trust account

Every administrator must have a trust account. All funds held in trust must be maintained separately from the administrator's own operating funds and held in a trust account, designated as a mortgage administrator trust account, at a bank, credit union or loan and trust company.

An administrator must only have one trust account unless it has obtained the Superintendent of Financial Services' approval to open other accounts. If the administrator wishes to have more than one account, it must make the request in writing.

Any money that is received by an administrator, directly or indirectly, from a borrower, lender or investor is deemed to be trust funds except money clearly earned for services that have been completed or expenses actually incurred.

Administrators are required to file audited financial statements and an auditor's report on the trust account annually, and to conduct monthly trust account reconciliations. Administrators that have not received any trust funds in the fiscal year must provide a declaration to that effect annually.

Confirm as the applicant that you are aware of the requirements for administrators in relation to its trust account(s).

4. Financial guarantee

Administrators must have and maintain a financial guarantee of at least \$25,000.

Unimpaired working capital (the excess of funds once current liabilities are deducted from current assets) is an acceptable financial guarantee. Administrators should note that assets falling under general security agreements will not be considered unimpaired for the purpose of this guarantee; as the funds must not be subject to any known charges or claims.

Provide the manner in which the administrator meets the requirement for the financial guarantee of \$25,000. The applicant must confirm that it will maintain the requisite level of unimpaired working capital at all times. The administrator must provide its most recent audited financial statements if applicable. Newly incorporated administrators must provide an opening balance sheet approved by the board of directors, partners or sole proprietor.

In certain limited circumstances, the Superintendent may consider a proposal other than unimpaired working capital for compliance with the financial guarantee of \$25,000. A letter of guarantee or letter of credit could be an acceptable form of a financial guarantee. A proposal for an alternative form must be submitted to the Superintendent for approval. If approved a formal approval letter is issued to the applicant.

5. Designated person to receive complaints

The administrator must respond in writing to all written complaints it receives. Indicate the person designated by the administrator to receive complaints. A name, email address and contact information must be provided.

6. Annual audited financial statements

An administrator is required to prepare and submit audited annual financial statements prepared in accordance with Generally Accepted Accounting Principles. A licensed public accountant must conduct the audit. The administrator must also arrange and provide for the auditor to issue a report on the books, records and accounts of the administrator for the year and a report about the administrator's trust

account(s), as well as assets and liabilities under administration for the year.

Provide the name and contact information of the licensed public accountant and the applicant's financial year-end date.

7. Is any other type of business conducted from the business premises?

Provide details if other business is conducted from the business premises.

8. Does the business hold any other licence(s)?

Provide details if the business holds any other licences under another regulatory regime in Ontario or elsewhere.

9. Does the business intend to operate a Mortgage Investment Corporation (MIC) this year?

Indicate yes or no. A MIC is an investment/lending company designed specifically for mortgage investing or lending in Canada and governed by the *Income Tax Act*. A MIC is organized for investing in pools of mortgages, primarily residential and manages a diversified and secured portfolio of mortgages. Profits generated by the MIC are distributed to its shareholders according to their proportionate share.

Part D – Suitability for a licence

This part of the application collects information to assess the applicant's suitability to hold an administrator licence. To assess suitability for a licence, the Superintendent is required to consider all relevant information, including, for example, information about criminal records, current charges and convictions under any legislation or by any regulatory body and information about other registrations or licences and bankruptcies.

1. Other Licences/Registrations

Provide details as to whether the business (the corporation / partnership / sole proprietor) had a licence or registration refused, revoked, suspended or cancelled under the Act, or under another regulatory regime in Ontario or elsewhere or where the business has been the subject of a disciplinary proceeding that resulted in a penalty being imposed such as suspension, termination, reprimand, surrender or monetary penalty.

2. Bankruptcy

Provide details as to whether the business has been declared bankrupt or made a voluntary assignment in bankruptcy or made a proposal under any legislation related to bankruptcy or insolvency, or if it is presently party to bankruptcy or insolvency proceedings. If yes, describe the circumstances and indicate if the bankruptcy has been discharged or not. If the bankruptcy has not been discharged, and in any other case, provide a list of the amounts owing, the creditors and the status of the matter.

Attach supporting documents if applicable such as:

- Certified copy of the discharge of bankruptcy

- Copy of the assignment in bankruptcy and creditor list

3. Judgments

Provide details as to whether the business has any outstanding judgments against it as of the date of the application. If yes, describe the circumstances and specify (1) the amount owing at the time of the judgment, (2) amounts currently owing (3) the person to whom the judgment is owing and (4) repayment dates and arrangements.

4. Charges/convictions

Provide details as to whether the business, a subsidiary or a related business ever pleaded guilty or been found guilty under the laws of any province, state or country, or if it is currently the subject of any charges.

5. Conduct – relevant lawsuit and complaints

Provide details whether the business in the last five years has ever been successfully sued or a complaint has ever been made against the business, and its director/officers/partners or employees acting on its behalf, to a regulatory body in any province, territory, state or country that was or is, based in whole or in part, on fraud, theft, deceit, misrepresentation, forgery, or similar conduct; or based in whole or in part, on professional negligence or misconduct (including claims by the errors and omissions insurance carrier or bonding company). Also provide details as to whether the business is currently the subject of such lawsuits or complaints.

6. Conduct – relevant inappropriate conduct

Provide details as to whether the business in the last five years has had any business relationship terminated for its conduct, or for the conduct of its directors/officers/partners or employees for breach of confidentiality, breach of trust, fraud, misappropriation of funds, theft, forgery.

Part E - Directors/Officers/Partners

This part is to be completed for an applicant that is other than a sole proprietor and this part collects information about the names and roles of all officers, directors, and partners of the administrator. All officers, directors, and partners of the administrator listed will be required to complete an electronic declaration via FSCO's online licensing system. The primary licensing system user will be notified when to start this step in the application process. The declaration from each individual is required to provide confirmation of suitability of licensing the administrator.

Part F - Application checklist

This part provides an application checklist to ensure that your application package is complete.

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