
Approach for Promoting High Standards of Business Conduct in the Mortgage Brokering Sector

The Financial Services Regulatory Authority of Ontario (FSRA) protects consumers in the mortgage brokering sector by overseeing the conduct of over 15,000 licensed agents, brokers, brokerages, and administrators in Ontario.

FSRA promotes high standards of business conduct in the mortgage brokering sector by:

- communicating FSRA's expectations with licensees through meaningful, two-way conversation;
- ensuring licensees are appropriately protecting consumers and investors; and
- reviewing licensees' level of compliance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* (MBLAA) and associated regulations.

How does FSRA supervise licensed mortgage agents, brokers, brokerages, and administrators?

FSRA's supervision activities of licensees consist of:

- **Targeted reviews** – limited in scope, focused on specific issue(s), may be the result of complaint-handling activities
- **Comprehensive reviews** – assessment of all applicable requirements under MBLAA
- **Thematic reviews** – reviews to assess a specific focus to understand current and/or emerging risks or trends

These reviews may be conducted at licensees' offices or remotely.

Who can be selected for a review?





All mortgage agents, brokers, brokerages, and administrators licensed by FSRA can be selected for a review.

FSRA may also conduct reviews on licensees who:

- are considered high-risk based on information collected in the Annual Information Return or through survey responses. High-risk factors include:
 - nature of their business
 - size of their business (e.g., value and number of mortgages arranged, number of brokers and agents)
 - geographical spread of their operations
- are the subject of a disproportionately high number of complaints
- are the subject of media reports

What can I expect if I'm selected for a review?

During a review, FSRA's goal is to better understand or validate information that we have collected, in order to assess compliance and evaluate risk to consumers.

If you are selected, FSRA will:

- contact and inform you that you will be subject to a review;
- provide a document request list outlining the documents and business records that should be provided to FSRA or made available for review, and the due date;
- meet with you to discuss your business practices and any issues noted; and
- at times, visit you at your office(s)

What happens after a review?

At the end of a review, FSRA will discuss our findings and you will have an opportunity to respond (e.g., provide further information confirming compliance with regulatory requirements).

FSRA will formally report to you any findings that could cause consumer harm, and you will be asked to explain how you intend to address the concerns raised.

While enforcement action following a review is possible, it is dependant on whether a regulatory breach is noted, as well as the seriousness of the issue.





Contact us

Email MBConduct@fsrao.ca with your feedback, suggestions, comments or questions.

