



Why the Mortgage Broker Law is Important to You

The Government of Ontario has taken an important step to improve consumer protection in the mortgage brokering industry.

On July 1, 2008 the Mortgage Brokerages, Lenders and Administrators Act, 2006 (the Mortgage Broker Law) went into effect. This law requires all individuals and businesses in Ontario who carry out mortgage brokering activities¹ to be licensed with the Financial Services Commission of Ontario (FSCO) – the government agency responsible for overseeing the mortgage brokering industry in Ontario.

What This Means to You

Purchasing a house or condominium is likely the biggest financial investment you'll make in your lifetime. If you use the services of a Mortgage Brokerage, Broker or Agent to arrange a mortgage for your property purchase, make sure the individual or business is licensed with FSCO.

By dealing with a licensed Mortgage Brokerage, you'll be confident that the business is responsible for the actions of its Mortgage Brokers and Agents. You'll also be confident that the Mortgage Broker or Agent has met specific education, experience and suitability requirements.

These are just a few examples of how the Mortgage Broker Law is holding the mortgage brokering industry to tougher standards – and keeping you protected.

Check if an Individual or Business is Licensed

If you use the services of a Mortgage Brokerage, Broker or Agent to arrange a mortgage for your property purchase, make sure the individual or business is licensed with FSCO. It's easy to check – just visit FSCO's website at www.fSCO.gov.on.ca, click on *Mortgage Brokers* and select *Visit the Consumer Web Page*.

What to Do if the Individual or Business is Not Licensed

If your search results do not show the name of the Mortgage Brokerage, Broker or Agent, the individual or business is probably not licensed with FSCO. You may wish to try your search again, in case you entered the information incorrectly. If this does not seem to be the problem, you may wish to contact FSCO at (416) 250-7250 or 1-800-668-0128 (call toll free) to report the unlicensed individual or business.

FSCO will check its records to verify if the individual or business is licensed. Unlicensed individuals or businesses will be investigated. FSCO will actively pursue enforcement action against any unlicensed individuals or businesses dealing in mortgages after July 1, 2008.

Please note that this handout is providing a general summary of the Mortgage Brokerages, Lenders and Administrators Act, 2006. For full details please refer to the actual Act and regulations, which can be accessed on FSCO's website at www.fSCO.gov.on.ca and click on *Mortgage Brokers*.

¹ Any corporation or business carrying on the business of dealing or trading in mortgages, or lending money on the security of real estate in Ontario, and any individual acting as a Mortgage Broker or Agent must be licensed with FSCO, unless an exemption applies. (e.g. banks do not need to be licensed). The Act also requires Mortgage Administrators (those collecting mortgage payments for investors) to be licensed.

