



ACTIVITIES THAT REQUIRE A PERSON TO BE REGISTERED UNDER THE MORTGAGE BROKERS ACT

**A PERSON WHO ENGAGES IN ANY OF THE ACTIVITIES LISTED BELOW IN
SUBSECTIONS (A) TO (E) REQUIRES REGISTRATION UNDER THE *MORTGAGE BROKERS
ACT*.**

The Definition of Mortgage Broker

The *Mortgage Brokers Act* (the "Act") defines a "**mortgage broker**" as a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1,000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- (e) during any one year, lends money on the security of 10 or more mortgages; and
- (f) carries on a business of collecting money secured by mortgages.

Carrying On Business

Carrying on business includes those activities described in subsections (b), (d) and (e). However, it also includes mortgage lending, buying and selling mortgages or agreements for sale or mortgage administration by a company if it does not use a registered mortgage broker to deal with borrowers, investors or other members of the public, regardless of the number of mortgages or agreements for sale involved in the business activity.

A company which lends money on the security of one to nine mortgages per year will therefore require registration as a mortgage broker unless it uses a registered mortgage broker to arrange and administer its mortgage loans.

Arranging Mortgages

A person who earns \$1,000 or more in fees or other consideration per year for arranging mortgages will require mortgage broker registration.

Activities that are included in arranging mortgages are:

- promoting the mortgage services of the company;
- speaking with customers about mortgages either generally or with respect to a specific mortgage, explaining the mortgage terms, or reviewing the mortgage document and/or disclosure statement;
- taking mortgage applications;
- obtaining supporting documentation and conducting credit checks;
- dealing with the lender in obtaining approvals and providing documentation to support a mortgage application; and
- completing mortgage renewals.

The intent of the Act is to require every person involved in an essential way in the process of arranging mortgages to be registered. Mortgage brokers may however employ clerical, accounting, or management staff without requiring those employees to be registered provided those employees are not actively engaged in arranging mortgages.