



INSTRUCTIONS FOR COMPLETING APPLICATION FOR MORTGAGE BROKER REGISTRATION FORM 1

FORM 1 IS TO BE COMPLETED BY EVERY CORPORATION, PARTNERSHIP OR SOLE PROPRIETORSHIP SEEKING REGISTRATION AS A MORTGAGE BROKER

Purpose

Please use this form if you are applying to register a new mortgage broker or a branch office for an existing mortgage broker. For further information on branch offices, please refer to the Registrar's Policy on Branch Offices.

1. Applicant

- (a) **Full Legal Name:** State the full legal name of the Applicant for registration.
- (b) **Registered Trade Name:** If the Applicant intends to do business in a name other than its legal name, the Applicant must register the trade name with the Corporate Registry and provide evidence that the trade name has been so registered. If the trade name will include a franchise name, provide a letter from the franchisor authorizing the franchisee to use its franchise name. For further information on trade names, refer to the Registrar's Policy on The Use of Trade Names.

Caution: Under section 21(1)(b) of the *Mortgage Brokers Act*, it is an offence for a mortgage broker to carry on business other than in its registered name.

- (c) **Business Organization:** Indicate whether the Applicant is a corporation, partnership or sole proprietorship.
- (d) **Financial Year End:** Provide the date of the Applicant's actual or intended financial year end. Please refer to the Conditions of Registration for information on when mortgage broker registrants must report to the Registrar on financial matters.
- (e) **Business Address:** Provide the physical address of where the Applicant will conduct its mortgage brokering activities. A business address can not be the address of a post office box.

Caution: Under section 21(1)(b) of the *Mortgage Brokers Act*, it is an offence for a mortgage broker to carry on business at an address which is not its registered address.

- (f) **Address for service in B.C.:** Under the *Mortgage Brokers Act*, all notices are sufficiently served for all purposes if delivered or sent by mail to the mortgage broker's latest address for service. Consequently, provide an address where the Applicant is sure to receive notice of legal documents. Good examples are the Applicant's place of business or the register and records office. **The Act also requires registrants to notify the Registrar promptly of any change in the service address.**
- (g) **Telephone Number:** Provide the Applicant's business telephone number, including area code.
- (h) **Fax Number:** Provide the Applicant's business fax number, including area code.
- (i) **Email Address:** Provide the Applicant's business email address.
- (j) **Website Address:** Provide the Applicant's business website address.

2. Directors, Officers, and Partners

If the Applicant is a corporation or a partnership, list the full legal name and office held by every director, officer and partner of the Applicant. Attach a separate sheet to the form if more space is required.

3. Owners and Shareholders

If the Applicant is a corporation, list the full legal names and addresses including postal codes of every person who owns, directly or indirectly, equity shares of the corporation carrying more than 10% of the voting rights. Attach a separate sheet to the form if more space is required.

4. Significant Activities of the Mortgage Broker

Mortgage brokering activities include mortgage origination, mortgage administration and mortgage lending. A corporation which lends funds on the security of mortgages may also be a mortgage investment corporation. Mortgage brokers may deal in special kinds of mortgages such as syndicated mortgages or reverse mortgages. Please indicate which significant activities the Applicant intends to engage in.

Please indicate whether the Applicant will be handling trust funds. Trust funds include:

- Funds received from investors pending the transfer (sale) of mortgages to those investors;
- Funds received from investors pending disbursement to borrowers;
- Funds received from borrowers pending disbursement to investors;
- Funds received from mortgagors for monthly payments on mortgages that the Applicant had sold in all, or in part to third party investors and that the Applicant administers for the third party investors;
- Refundable fees of any type paid to the Applicant pending the approval of a mortgage application; and
- Funds held on behalf of another person for whatever reason, pending completion of a transaction including the issuance of shares.

If the Applicant will be handling trust funds, please attach to the application an opening balance statement which indicates that the Applicant has at least \$5,000 of unimpaired working capital. At least two directors of a corporate Applicant must sign the balance sheet and state that the statement is true and accurate.

Mortgage brokers who handle trust funds must file annual audited financial statements and an accountant's report on trust matters. Please refer to the Conditions of Registration for further information on the Registrar's financial reporting requirements for mortgage brokers.

5. Designated Individual

State the name of the submortgage broker who will act as the Designated Individual.

Each mortgage broker must have a registered submortgage broker who will act as the Designated Individual responsible for the office. The Designated Individual must be an officer or director of a corporate mortgage broker, a general partner in a mortgage broker partnership, or the sole proprietor. In addition the Designated Individual must have been recently registered as a submortgage broker under the Act in British Columbia for a minimum of two years.

The main responsibilities of the Designated Individual are:

- ensuring that all employees involved in mortgage brokering are properly supervised and registered under the Act;

- ensuring that the employees are aware of the Act, the Regulations made pursuant to the Act, and the Bulletins and Policies of the Registrar of Mortgage Brokers; and
- ensuring that all books and records of the mortgage broker are accurate and up to date.

6. *Prior Licensing or Registration:*

- (a) Please indicate whether the Applicant has been licensed, registered or authorized in any capacity under the *Financial Institutions Act*, *Mortgage Brokers Act*, *Real Estate Services Act*, *Real Estate Act*, *Securities Act* or other legislation in British Columbia or elsewhere. Provide the details of any licensing or registration history on a separate sheet. Indicate the name of the legislation, the date of registration or licensing periods and the jurisdiction of the registration or license.
- (b) Please indicate if the Applicant has ever been refused a license or registration, or been disciplined under the *Financial Institutions Act*, *Mortgage Brokers Act*, *Real Estate Services Act*, *Real Estate Act*, *Securities Act* or other legislation in British Columbia or elsewhere. Disciplinary action includes the suspension of a license or registration, the imposition of fines or other penalties or reprimands. Provide a detailed explanation of any license or registration refusal or the imposition of any kind of discipline on a separate sheet and attach it to the application.

7. *Bankruptcy, Judgments, Pending Legal proceedings*

- (a) **Bankruptcy:** Indicate whether the Applicant has ever been subject to bankruptcy proceedings, and if it has, indicate whether the Applicant has been discharged and attach proof of the discharge. If the Applicant is an undischarged bankrupt, attach a copy of the assignment in bankruptcy and a list of all creditors.
- (b) **Judgments:** Indicate whether the Applicant has had a judgment rendered against it within the last 5 years for any reason whatsoever and from any civil court in British Columbia or elsewhere. If a judgment has been rendered against the Applicant within the last 5 years, please indicate whether the judgment has been satisfied. Attach copies of any unsatisfied judgments to the Application and on a separate sheet, state the amount outstanding and describe any repayment arrangements for each outstanding judgment.
- (c) **Pending Legal Proceedings:** Indicate whether there are any pending legal proceedings that have been brought against the Applicant. Civil proceedings brought against the Applicant will name the Applicant as a

defendant or respondent and include foreclosure proceedings where the Applicant is named as a defendant or respondent. A proceeding is no longer pending once a court has rendered a judgment, or the proceeding has been stayed, discontinued, or dismissed. If the Applicant has pending legal proceedings against it, describe the cause of action or claim on a separate sheet and attach a copy of the Statement of Claim and Defense.

- (d) **Subject of Investigation:** The Designated Individual must indicate whether to his or her knowledge, **the Applicant is currently subject to an investigation by any law enforcement or regulatory agency in British Columbia or elsewhere.** If the Applicant is currently subject to an investigation, on a separate sheet, provide an explanation of the investigation, and state the location and name of the agency involved.

8. Exhibits

All directors and partners who will not be active in mortgage brokering must complete Form 2 - Personal Application for Registration and attach it as an Exhibit to the mortgage broker application of the corporation or partnership.

9. Certification

The Designated Individual must certify that the statements of fact in the application and all attachments are true and complete.

Caution: Any untrue statement or omission may result in the Registrar's refusal of the application. If the person completing the application on behalf of the Applicant is unclear about how to complete any part of the application, he or she should contact the Registrar's office for clarification at the address or telephone number listed on the bottom of page one.

10. Fees

Indicate the amount of registration fees paid to the Minister of Finance and the method of fee payment. Fees may be paid by cheque, cash or credit card (Visa or MasterCard). Attach all fees to the application. If paying by credit card, please also attach a copy of the Credit Card Payment Form. **All registration fees are non-refundable.**

Incomplete applications will result in delays.