



July 2007

Registration – Mortgage Brokers Act

Following is general information regarding registration under the *Mortgage Brokers Act* (the “Act”).

Under the Act, registration as a “mortgage broker” may be granted to a company, partnership or sole proprietorship. The employees of the mortgage broker engaged in the arranging of mortgages are required to obtain “submortgage broker” registration under the Act. Only individuals are registered as submortgage brokers.

1. Corporate Application

For corporate registration, each application for registration must contain the following information and documents:

- Form 1 - Uniform Application for Licence, Registration or Approval - Corporation or Partnership;
- Form 2 - Uniform Application for Licence, Registration or Approval - Personal and Addendum, Consent to Criminal Record Search, for every director of the corporate mortgage broker, regardless of whether the individuals are active in the mortgage brokerage business. Directors who will not be active in the mortgage broker business are not required to submit fees;
- a copy of the Certificate of Incorporation or Certificate of Extra-Provincial Registration. If the corporation is “doing business” in another name, the corporation must register its trade name with the Registrar of Companies and provide evidence of that registration to our office; and
- mortgage broker registration fees payable to the Minister of Finance in the amount of \$1000. **All registration fees are non-refundable.**

The mortgage broker is also required to maintain an address for service in British Columbia.

2. Submortgage Broker Application

To register the individuals who will be conducting the mortgage broker business as submortgage brokers, the following information and documents must be provided for every applicant:

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- Form 2 - Uniform Application for Licence, Registration or Approval - Personal and Addendum, Consent to Criminal Record Search, for every submortgage broker seeking registration with the mortgage broker;
- evidence that the educational requirements have been satisfied (copy of University of British Columbia certificate); and
- registration fees, in the amount of \$1000, for each submortgage broker. **All registration fees are non-refundable.**

If a submortgage broker is transferring registration from another mortgage broker, fees are \$200 to be accompanied by a Form 4 – Uniform Application. **All registration fees are non-refundable.**

3. Educational Requirements

(a) **New Individual Applicants**

Mortgage broker applicants who are sole proprietors and submortgage brokers applicants must successfully complete certain courses in order to qualify for registration.

The courses or programs that qualify for mortgage broker or submortgage broker registration are:

1. *Mortgage Brokerage in British Columbia*; or
2. a Diploma in *Urban Land Economics*, or its three core courses:
 - 111 *Real Property Law & Ethics*;
 - 121 *Foundations of Real Estate Mathematics*; and
 - 221 *Real Estate Finance in a Canadian Context*; or
3. a four year Bachelor of Commerce Degree with a specialization in Real Estate.

Individuals who have successfully completed the course, *Mortgage Brokerage in British Columbia* must apply for registration within **one year** of writing the examination. This is to ensure that recently qualified applicants build on and solidify their education. However, if an individual has been actively brokering mortgages on behalf on an entity exempt from registration, such as a savings institution, the one year period may be extended.

(b) Examination Challenge Option for Individuals with Experience

Individuals, who have significant experience in the mortgage broker industry, may be permitted to enrol in an accelerated version of the course, *Mortgage Brokerage in British Columbia*. The accelerated challenge program allows individuals to obtain course materials and challenge the final examination without completing assignments.

To apply for permission to enter the challenge program, individuals must submit a resume outlining their education and work experience to the Registrar of Mortgage Brokers. Individuals must receive written confirmation from the Registrar stating that they are eligible to challenge the *Mortgage Brokerage in British Columbia* examination prior to their enrolment in the program.

Individuals are only permitted to enrol in the challenge program **once**, and must challenge the examination within **18 months** of receiving permission from the Registrar. Individuals, who do not pass the examination or fail to write the examination within 18 months of obtaining permission, must enrol in the full course, successfully complete the assignments and pass the examination if they wish to satisfy the education requirements for mortgage broker registration.

(c) Individual Interprovincial Applicants

Individual applicants for mortgage broker or submortgage broker registration who have been licensed or registered as a mortgage broker in another province for at least three out of the last five years, or who have successfully written and passed a qualifying mortgage broker's prelicensing examination in another province within the last year may qualify for registration by successfully completing:

1. any of the three courses or programs listed above; or
2. the Mortgage Brokerage Inter-Provincial and BC Procedures examination.

Previously licensed or registered Interprovincial applicants seeking to write the *Mortgage Brokerage Inter-Provincial and BC Procedures* examination must provide the Registrar of Mortgage Brokers with an original copy of their licensing history including their disciplinary record.

Interprovincial applicants seeking to write the *Mortgage Brokerage Inter-Provincial and BC Procedures* examination who have not been previously licensed, must provide the Registrar with a copy of the course certificate from a mortgage broker prelicensing course in another province.

Individuals must receive written confirmation from the Registrar stating that they are eligible to write the *Mortgage Brokerage Inter-Provincial and BC Procedures* examination prior to their enrolment in the program.

Individuals who have successfully passed the *Mortgage Brokerage Inter-Provincial and BC Procedures* examination must apply for registration within **one year** of writing the examination. This is to ensure that recently qualified applicants build on and solidify their education.

(d) Applicants With Prior Real Estate Services Education

Individual applicants who have successfully completed a former real estate services course and examination from the Sauder School of Business within the last year, who have been licensed with the BC Real Estate Council for at least three out of the last five years, or who are currently licensed with the BC Real Estate Council may qualify for registration by successfully completing:

1. any of the three courses or programs listed under “New Individual Applicants”; or
2. the Mortgage Brokerage Supplemental Course.

Persons who are currently licensed with the BC Real Estate Council or who have completed former real estate services education from the Sauder School of Business within the past year may enrol directly in the *Mortgage Brokerage Supplemental Course*.

Persons who have been licensed with the BC Real Estate Council for at least three out of the last five years must receive written confirmation from the Registrar stating that they are eligible to enrol in the *Mortgage Brokerage Supplemental Course* prior to their enrolment in the program.

Individuals who have successfully completed the Mortgage Brokerage Supplemental Course must apply for registration within **one year** of writing the examination. This is to ensure that recently qualified applicants build on and solidify their education. However, if an individual has been actively brokering mortgages on behalf on an entity exempt from registration, such as a savings institution, the one-year period may be extended.

(e) Former Registrants Who Wish to Reactivate Their Registration

Individuals who are not currently registered, but have been registered as a mortgage broker or submortgage broker within the last five years, may apply to

reactivate their registration without retaking any of the qualifying courses or programs. If a former registrant seeking reactivation has been actively brokering mortgages on behalf of an entity exempt from registration, such as a savings institution, the five-year period may be extended.

Course Information

All courses and programs listed above are offered by the University of British Columbia. Further information on the courses or programs may be obtained from:

Real Estate Division
Sauder School of Business
202 – 2053 Main Mall
University of British Columbia
Vancouver, British Columbia V6T 1Z2
Telephone Number: (604) 822-8444
Toll Free: 1-888-776-7733
Web: <http://www.realestate.ubc.ca/mortgages>
E-mail: info@realestate.sauder.ubc.ca

4. Designated Individual

Each mortgage broker must have a registered submortgage broker as the designated individual responsible for the office. The designated individual will generally 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 generally 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 “arranging mortgages” 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.

5. Financial Reporting

Every mortgage broker that handles or receives trust funds is required to submit audited financial statements and confirmation of compliance with Section A subsections 1 to 5 of the Conditions of Registration, on an annual basis. (The Conditions of Registration are available on our website). These mortgage brokers are also required to have and maintain a minimum equity of \$5,001 of which \$5,000 must be unimpaired working capital.

For registration purposes, an opening balance sheet signed by the directors, partners, or proprietor is required if trust funds are to be held during the course of business. The opening balance sheet must indicate that the mortgage broker meets the aforementioned equity and working capital requirements. If the mortgage broker does not meet the minimum equity requirements of \$5,001, a subordination agreement must also be submitted, subordinating shareholder's interests or proprietor's equity. For corporate mortgage brokers the balance sheet must be signed as being true and accurate by at least two directors.

Mortgage brokers that do not intend to handle trust funds during the course of their business must provide a signed statement at the time of application, that trust funds will not be handled. Confirmation of compliance with Section B subsection 8 of the Conditions of Registration must be provided on an annual basis.

Please allow ten business days for processing of an application. If an application is deficient it may result in delays in processing. Once an application is approved, the applicant's name will be posted on our website on the Registered Mortgage Brokers List. The registration period for both mortgage brokers and submortgage brokers is two years from the date of approval. To retain registration, registrants are required to renew 30 days prior to their expiry date as indicated on their registration certificate. Renewal fees are \$500.