

The information your mortgage broker provides to the lender must reflect the decision you have made. It must be truthful and consistent with the information you have provided and it must be free of any omissions.

Documentation

Your mortgage broker should maintain complete documentation of information that led to or influenced your decision regarding the mortgage.

Mortgage brokers must maintain documents related to the mortgage transaction in accordance with the applicable regulatory requirements. It is also considered a good practice for the mortgage broker to keep key records related to the transaction but to return your original documents.

Contacts

Further information regarding what to expect when working with a mortgage broker can be found on the MBRCC website at www.mbrcc.ca. The regulatory requirements that apply to mortgage brokers may differ from province to province. If you have any questions regarding the regulatory requirement specific to your province or if you have any concerns regarding the conduct and practices of a mortgage broker, it is recommended that you contact the regulatory authority in your province.

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WORKING WITH A MORTGAGE BROKER



Mortgages are often the largest financial commitment Canadians make.

It is important to find a mortgage that is right for you.

Mortgage brokers¹ are regulated professionals who can help you find the right mortgage. It is important to note that the regulatory requirements for mortgage brokers may be different from province to province.

This document will help you better understand what you can expect if you work with a mortgage broker. A more detailed account of the transaction process and what to expect from a mortgage broker can be found on the MBRCC website—www.mbrcc.ca.

¹ Depending on the type of licence and the province in which it was issued, the licensed professional you deal with may be a mortgage broker, submortgage broker, associate mortgage broker or mortgage agent. Here, “mortgage broker” is used broadly to refer to all of these individuals.

Establishing the Relationship

Your mortgage broker should ensure that you understand the services he or she will provide and the nature of the relationship between you and the mortgage broker. To help you better understand his or her services, the broker will provide you with information on his or her role and other key aspects of the transaction.

Some key questions you should ask include:

- > Who do you work for?
- > How many lenders do you work with?
- > How are you compensated?
- > What types of information will you need?
- > How will this information be used?
- > What are the charges and fees for your services?

Conflicts of Interest

Mortgage brokers are expected to identify and immediately disclose all actual or potential conflicts of interest to their clients. Conflicts of interest must not influence the mortgage broker to place his or her own interests above his or her client's or act contrary to their client's interests.

If you are unsure, ask your broker about their potential conflicts of interest.

Qualifying You for a Mortgage

Your mortgage broker will need information from you in order to identify mortgage options and process the transaction. The information you provide helps your mortgage broker better understand your circumstances, your goals for the mortgage and the type of mortgage you want or need.

It is critical that you are completely honest with your mortgage broker when providing information about yourself. Errors in your application can easily lead to a mortgage that is not right for you.

If there are inconsistencies in the information you provide, your mortgage broker is expected to ask more questions and seek additional information to better understand your circumstances and needs.

Providing the Mortgage Option(s)

Your mortgage broker should ensure that the mortgage option(s) he or she provides you are appropriate and suitable to your needs. The option(s) should be based on an assessment of the lender and the mortgage (its structure, features, and risks) in light of the information you have provided on your needs and circumstances. Your mortgage broker should also explain his or her rationale for the option(s) that have been identified.

Disclosures

Your mortgage broker is required to provide you with certain information that helps you understand the mortgage and any financial implications or risks.² This information is intended to assist you in making an informed decision regarding the mortgage.

Included in this information is an estimate of the total cost of the mortgage. The total cost of the mortgage depends on the terms and conditions for paying it back, such as the interest rate and the amount of time it takes to pay off the entire mortgage (i.e., the "amortization period"). The total cost can be much more than the amount you are borrowing.

Submitting the Application

Your mortgage broker will submit your information to the lender. This information is used by lenders to determine if they will offer a mortgage to you.



² The type of information the mortgage broker is required to provide depends on the applicable provincial regulations.