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BY EMAIL and REGULAR MAIL

Chief Executive Officer and Superintendent of Financial Services
Financial Services Commission of Ontario
5160 Yonge St. Box 85
Toronto, ON
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Dear Sir,

On behalf of The Independent Mortgage Brokers Association of Ontario (IMBA), with contributions from MBABC, MBAAC and CMBA, we offer our response to your request for input towards the Statement of Priorities 2016. To save effort we have addressed each of the questions directly as asked so that answers are not misconstrued or ambiguous.

How can FSCO strengthen its role as a leader in this area in relation to your industry? *Given the largest percentage of mortgage brokers in Canada reside in the province of Ontario, coupled with the mentorship role FSCO plays with all provinces in respect to industry regulation development and/or revision, it is important FSCO leads and supports a proactive approach to our collective efforts. In particular, the annual MBRCC meeting, where Industry Participants are involved, is insufficient to serve the purpose that is needed. The meeting should be expanded to at least a full day, with much more interaction, breakout sessions, question problem solving, etc. Industry meetings could be held more frequently, such as twice per year.*

Are there specific regulatory coordination initiatives that FSCO should lead or join that would enhance consumer protection across jurisdictions and help foster a balanced and healthy competitive marketplace? **Please describe.** *The mortgage broker industry is a national industry regulated on a provincial basis. However, (though this is changing) the regulations and educational requirements vary greatly from province to province. Currently, in the Province of Ontario, the educational requirements for granting a license are sub-par and permit individuals with little practical knowledge or effort to be awarded same. This is unfortunate as they are ill-equipped to provide support to consumers on what is traditionally their largest investment ever – their home. Higher educational standards are a must to attract the right caliber of practicing brokers for increased consumer protection.*

FSCO currently gathers annual information returns from three sectors, namely pensions, mortgage brokering and insurance. Should we consider requiring all other regulated entities to submit an annual information return at a minimum? *In FSCO's challenge to effectively govern the various sectors, it is advisable that all areas provide information that is relevant to their Industry. The AIR has shown itself to be an effective way to monitor the respective Industry. But due to the rapidly changing landscape in the Financial Sector, the analysis of the AIR should be conducted in a more timely fashion, so as to be able to react to new trends and financial techniques that should be monitored and/or addressed.*

Independent Mortgage Brokers Association of Ontario

What role, if any, do you feel industry or stakeholders should play in helping enhance FSCO's market intelligence? *Industry professionals should be consulted during the developmental stage versus the current norm of providing feedback after the fact. This would ensure a better understanding by all parties of their respective roles and practices; would result in regulations and guidelines which better represent the respective industry, and ideally avoid the need for revision and/or permit opportunity to address any market changes which may occur during the developmental process.*

How can we create additional opportunities for the exchange of information between FSCO and industry – particularly information that could help FSCO better understand the marketplace – and what would be the best mechanisms for sharing that information? *FSCO should oversee and participate in open forum discussions with Industry participants and Associations so as to get a better understanding and insight into the actual activities of the respective Industry.*

FSCO is considering expanding the information it currently provides on its enforcement actions to better inform the public (e.g. proactively sharing details of actions taken against non-compliant entities with media outlets and/or on social media). What are your thoughts on this direction? *In most cases, the public must seek out enforcement information by searching the FSCO website or CANLII for decisions. In other cases which are reported by the media, often key messages for the public which enhance public protection are not sufficiently reported. The Canadian Mortgage Broker Magazine has made an effort to report key disciplinary findings to the mortgage broker industry, but this publication does not reach many members of the public. Social media can often be ineffective at disseminating information effectively and can be abused by trolls, but may offer some solutions to reaching the public. However, I would caution this additional sharing of information must be done so as not to tarnish the industry as a whole, and to clearly communicate the violation of the respective individual or organization (brokerage). Recommendation: Fully explore the various options for disseminating disciplinary information to the public before proceeding to adopt a particular method.*

How can FSCO and industry work together to improve the financial literacy of consumers and pension plan members? *FSCO could use its “weight and influence” to encourage Educational Institutions to work with the Provincial Associations in developing and presenting Financial Literacy Seminars and Courses.*

How can FSCO improve transparency in how it undertakes its regulatory services? *Increased dialogue with current stakeholders.*

On behalf of IMBA we offer our thanks for this opportunity to provide input towards this most important document regarding the future structure of FSCO and the Mortgage Brokerage Industry in Ontario.

Respectfully Yours,



Malcolm Eccles, Broker
Government Relations Chair IMBA