

Laws Amendments Committee May 2nd 2012

Good Afternoon. We represent the MBAAC, my name is Glen Ward, I am the president of the association. Today I have with me Michelle Drover, Vice President.

We are a reasonably new organization, set up as a not for profit association representing the Mortgage Brokers living in Atlantic Canada, including Nova Scotia.

Our goal as an association is to help elevate the profile of Mortgage Brokers in the eyes of the public, help assist in providing feedback and communication between our Industry and Government officials, and to provide an avenue for brokers to have access to Continuing Education and other forms of group benefits.

Our association is pleased to see the work that has been put forth with Bill 22 and as an overall concept and proposition, we are in complete support of its fundamental purpose.

Although the Prescribed details of the legislation have yet to be revealed, the body of the Bill appears to touch on many of the aspects of our industry that we feel should be overseen by regulators.

There are a couple of points we would like to highlight as points of interest with potential need for clarity.

Section ~~32~~ 33- Brokers acting on behalf of Private Lenders. We can attest the amount of business that is being done by private lenders, without the knowledge of the Brokerage, or perhaps a private lender that more than likely does not have a Lenders License for this province as well. Our association would be happy to help identify some of the Lenders in the province that are doing business with out a license so we can help correct this action and move toward better protecting the brokers and the consumer.

Perhaps A Private Mortgage that is established between a Buyer and a Seller of a property should be outlined as an exception to the licensing rule set out in this Bill. It may be required that the definition of a Private lender be more detailed, to which it may include a definition around a minimum amount of volume being distributed in each year period.

Section 55- Annual Filings- We are a little concerned by the type of information the province may be looking for in these returns- and look forward to seeing the prescribed criteria that the registrar is proposing.

Section 58- Advertising. The Bill states that any advertising will have to show the information under which the broker is licensed. We would like to point out a possible provision for brokers that are registered with a brokerage but that may also have a Sub brokerage with different branding within that brokerage. It may also be a potential definition change that would recognize this type of situation and allow for minimal recognition of the licensed brokerage.

We would also like to further state that we are fully in favor of a minimum education requirement be implemented for successful licensing in the province. A course that MBAAC is ready to help the province build and we have the capacity now to offer and hold these courses online, and or in a classroom setting.

There has been talk in the media around having Brokers disclose their commissions to the public within a disclosure document. MBAAC would like to go on record as opposing this as a requirement of compliance. As there are many industries where salespeople are earning commissions and do not disclose these amounts to their customers, we feel it would be unfair to ask our industry to be required to. Perhaps a solution to this would be a disclosure of the fact that we are earning a commission from the lender for the placement of this mortgage. We are also in favor of the provision in Section 32 which prescribes a disclosure to the client explaining what rationale was used and what circumstance led their decision to place the mortgage with the institute that they did.

→ Including BANK Mtge Specialists

Reciprocity ⇒ Store front necessary for broker license?
~~Here~~ $\frac{1}{2}$ brokerage for small independent business.