

# Information Bulletin

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**Bulletin Number:** MB 11-008

**Topic:** MORTGAGE BROKER REGISTRATION APPLICATIONS UNDER THE *MORTGAGE BROCKERS ACT* (THE "ACT")

**Issue Date:** DECEMBER 2011

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## New Mortgage Broker and Branch Office Registrations under the Act

Under the Act, companies, partnerships and sole proprietors, unless exempted under section 11 of the Act, need to be registered as **mortgage brokers** to engage in the following registerable activities:

- Mortgage arranging;
- Mortgage lending;
- Mortgage administration; and
- Mortgage trading – buying and selling mortgages.

MB E-Filing is an electronic registration system which will enable **currently** registered mortgage brokers to:

- Register new submortgage brokers;
- Transfer in submortgage brokers from another mortgage broker or between branch offices;
- Terminate submortgage broker registrations;
- Amend the information (such as an email address or telephone number) of mortgage broker, including branch office, and submortgage broker registrations;
- Add new directors or terminate current directors; and
- Renew mortgage broker or submortgage broker registrations.

However, first time mortgage broker applicants who have not previously obtained a registration number or mortgage broker registrants who intend to register a new branch office must print off applications from the FICOM website. The completed application with the accompanying information, documents and fees must then be sent to the Registrar's staff for processing. Once a mortgage broker has obtained registration, it may commence using MB E-Filing to file and amend registration information and applications.

To apply for FIRST TIME mortgage broker or new branch office registration please provide the following to the Registrar:

**1. Application From a Corporation or Partnership:**

If the Applicant for mortgage broker registration is a corporation or partnership and has not obtained registration at any previous time, an authorized representative of the Applicant must complete **Form 1 – Application for Mortgage Broker Registration of a Corporation or Partnership**.

The following documents must accompany the Application:

- for corporations, a copy of certificate of incorporation or extra-provincial registration from BC Corporate Registry;
- for partnerships, a copy of the partnership agreement, and a copy of the certificate of incorporation or extra-provincial registration for all corporate partners;
- proof of the Trade Name Filing in the BC Corporate Registry for any trade name which the Applicant intends to use;
- in the case of mortgage broker applicants which are franchisees or which will acquire, by agreement, part of the name of another entity, a copy of the agreement or a letter from the other entity which provides consent to the Applicant to use the name;
- a **Form 2a Director's Information Return**, which has been completed by every director of a corporate Applicant or a corporate partner of a partnership Applicant;
- a filing fee of \$1,000; and
- a registration application in Form 2 for the Designated Individual – see below for detailed requirements.

**2. Application From a Sole Proprietor:**

If the Applicant for mortgage broker registration is a sole proprietor and has not obtained registration at any previous time, the Applicant must complete **Form 1a – Application for Mortgage Broker Registration of a Sole Proprietor**.

The following documents must accompany the application:

- A completed **Form 16 Certification for Applicants**, which has been completed in relation to the sole proprietor; and
- The sum of \$1,000 if the mortgage broker registration is for a sole proprietor Applicant who is not currently registered, or \$200 for a sole proprietor Applicant who is currently registered as a submortgage broker to another mortgage broker.

### 3. **Branch Offices**

Mortgage brokers which intend to open a new branch office(s) cannot do so using MB E-Filing, and must complete a **Form 1b – Application for Mortgage Broker Branch Office**.

The filing fee of \$200 must accompany the application.

### 4. **Designated Individual Qualifications**

Each mortgage broker which is a corporation or partnership must have a registered submortgage broker who acts as its **Designated Individual**. In the case of a sole proprietor, the individual sole proprietor must be qualified to act as a Designated Individual. The Designated Individual will generally be an officer or director of a corporate mortgage broker, a general partner in a mortgage broker partnership, or a sole proprietor. All interaction between the Registrar and the mortgage broker (and its registered submortgage brokers) will be conducted through the Designated Individual.

In order to qualify to act as a Designated Individual, a person:

- must have been recently registered under the Act (or similar legislation in another jurisdiction) for a minimum of two years without having any record of regulatory compliance issues with the Act or any other legislation in British Columbia or elsewhere; or
- must have two years of experience managing the business of the specific mortgage broker entity which the person intends to act as a Designated Individual for.

The main responsibilities of the Designated Individual are:

- ensuring that all employees who engage in registerable activity are properly registered and supervised 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;
- ensuring that all books and records of the mortgage broker are accurate and up to date;
- ensuring that yearend financial filing reports are submitted to the Registrar, as required; and
- managing registration application and information of the mortgage broker through MB E-Filing.

### 5. **Registration of the Designated Individual as a Submortgage Broker**

The mortgage broker applicant which is a corporation or a partnership must have at least one submortgage broker registered to it who is qualified to act as a Designated Individual. In the case of mortgage brokers who are sole proprietors, the Designated Individual is usually the sole proprietor.

For Applicants which are employing a Designated Individual, please complete a **Form 2 – Application for Submortgage Broker Registration**. The Applicant should apply to register any additional submortgage brokers through MB E-Filing, once registration for the mortgage broker has been approved.

The following documents must accompany the application to register a Designated Individual as a submortgage broker:

- A completed **Form 16 Certification for Applicants**, which has been completed in relation to the submortgage broker registration application of the intended Designated Individual; and
- The sum of \$1,000 for new submortgage broker registrations of the intended Designated Individual or \$200 for the transfer in of a currently registered submortgage broker.

#### 6. **Payment of Fees**

Payment of fees can be paid by cheque made payable to the Minister of Finance or by credit card. Persons wishing to pay by credit card may use one of the following credit card submission options set out below.

#### 7. **Submission Options**

**By Fax:** Submit the Credit Card Payment form with your application by fax to the number included on the form.

**By Mail:** Submit the Credit Card Payment form with your application by mail directly to the Registrar at the address included on the form.

**By Phone:** Call 604-660-3395 to speak to a FICOM staff person who will receive credit card information over the phone.

For further enquiries, please contact the Registrar's staff by email at [MortgageBrokers@ficombc.ca](mailto:MortgageBrokers@ficombc.ca)

Please note, incomplete application packages may result in a delay of registration.

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At the office of the Registrar of Mortgage Brokers, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Mortgage Brokers Act, Business Practices and Consumer Protection Act* and Regulations. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.