



## **Stiff Provincial Regulations Protect BC Mortgage Broker Industry**

August 31, 2009 (Vancouver) – [The Mortgage Brokers Association of BC](#) (MBABC) reports that its members set the industry standard for trust and integrity in the mortgage broker industry. This response comes on the heels of a report in this morning's Globe and Mail that the federal privacy commissioner is auditing a number of mortgage brokerages because of concerns about the security of borrowers' personal financial information.

BC's mortgage brokerage industry is significantly different than that in Ontario, which only last year became regulated and most brokers, until that time, were unlicensed. Mortgage brokers in BC are highly regulated and are subject to careful scrutiny by the Registrar of Mortgage Brokers, which operates under the Financial Institution Commission of British Columbia. All licensed brokers in BC are subject to a criminal record check before being licensed and these checks are performed again every two years.

Joe Santos, President of the Mortgage Brokers Association of BC (MBABC), says that "the brokerage industry in BC is amongst the most highly regulated in North America and its brokers are the best trained. As a result, we've been very successful in avoiding many of the problems experienced in less regulated jurisdictions."

Santos goes on to say that, "members of MBABC must adhere to a strict code of ethics and observe all bylaws of the Association in order to remain a member in good standing. Our members and all BC mortgage brokers must also meet rigorous educational standards through completion of a program delivered by the Real Estate Division of the Sauder School of Business at the University of British Columbia. That program is widely-regarded as one of the best in Canada."

According to Santos, in light of BC's strict licensing requirements and standards, many other provinces have looked to the regulatory system in BC to mould their own regulations and standards.

There are many ways consumers can protect themselves from real estate fraud when purchasing or refinancing a home. Some examples include:

- When a deposit is required, ensure that the funds are held in either a lawyer's/notary's or a real estate trust account and not directly by the seller
- Determine the sales history of the property – when did it sell and for how much?
- Have your property inspected and appraised
- Determine if any party to the transaction (other than the vendor) has a financial or ownership interest in the property



- Request copies of permits and receipts if there are claims of renovations or upgrades.
- Know and understand the terms of the mortgage you are signing. Check that the address, interest rate and other terms and conditions are as previously agreed.
- Know and understand what you are signing. If you have questions, ask. If you are still suspicious, do not sign the documents and seek legal advice.

MBABC has co-authored (with federal and provincial counterparts) a brochure on mortgage fraud. The full report can be found at [www.findabettermortgage.ca](http://www.findabettermortgage.ca) along with detailed mortgage financing, current real estate market information and a listing of qualified mortgage brokers.

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Joe Santos is available for interviews and can be contacted through:

Madelaine  
Fusion Communications Group  
604 913-8810  
604 720-5185 (cell)  
[madelaine@fusioncommunicationsgroup.com](mailto:madelaine@fusioncommunicationsgroup.com)

### About MBABC

MBABC represents member brokers in BC and supports enhanced professionalism, ethical and professional standards and co-operation in the mortgage industry, while elevating consumer awareness. The MBABC supports government policy that encourages small business and home ownership. MBABC broker members provide consumers with home financing expertise and mortgage options.