

Policies And Procedures



REAL MORTGAGE ASSOCIATES

License #10464

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Privacy Policy

At Real Mortgage Associates (“RMA”), we are committed to protecting the privacy and confidentiality of the personal information of our clients (individually, the “Client” and collectively, the “Clients”.) As financial service providers, we have a professional obligation to maintain in confidence information we receive within our role as a financial services provider. The purpose of this Privacy Policy is to advise clients as to why we ask for personal information, how we use it, what safeguards we employ, and how to contact us with privacy-related matters.

Changes to Privacy Policy

Real Mortgage Associates will from time to time review and revisit privacy practices and this Privacy Policy.

Real Mortgage Associates Web site

Our Web site may contain links to other sites, which are not governed by this Privacy Policy. On our Web site, like most other commercial Web sites, we may monitor traffic patterns, site usage and related site information in order to optimize our web service. We may provide aggregated information to third parties, but these statistics do not include any identifiable personal information.

Communicating With Real Mortgage Associates

We recognize that convenience and quick access to advice must be balanced with security needs. We use many different means to communicate with clients, some of which are more convenient such as e-mail. Our emails are sent with industry standard encryption. Such encryption however does not guarantee privacy and security as encrypted messages can nonetheless be subject to interception and translation. If clients do not wish us to communicate by e-mail, they may speak with the consultant/broker/agent handling the matter about alternative arrangements.

Chief Privacy Officer
Real Mortgage Associates
3370 South Service Rd,
Garden Floor Burlington,
Ontario, L7N 3M6
1 877 677 7778

Agent Protection of Data

All agents and brokers will take reasonable steps to protect personal data supplied by clients.

All original documentation will be kept in secure premises not accessible to the public. Once a file is complete, any documents not required will be returned to the client immediately.

Original documentation will be submitted to head office in either hard copy or electronic format, after the closing of the transaction. While agents may retain copies of files for their personal use, every effort must be made to safeguard the information on hand.

It should be noted that all files are the property of Real Mortgage Associates Inc.

Any documentation not further required, must be shredded immediately.

All electronic documentation must be password protected. Laptops containing client files shall not be left unattended in public areas.

What Is Personal Information?

In this Privacy Policy, "Personal Information" means information that is gathered in connection with an application, pre-approval, request for information for a mortgage(s) or loan(s) and insurance or other product through Real Mortgage Associates or Real Mortgage Associates affiliates and is provided to, or collected by, Real Mortgage Associates and its staff or by Real Mortgage Associate's agents, associates, and affiliates on Real Mortgage Associate's behalf (collectively, "Real Mortgage Associates").

Head Office Protection of Data

Head Office will take reasonable steps to ensure the security of the data of client files. Scanned documentation must be adequately protected and catalogued. All client records and personnel records will be kept in locked cabinets or in secured electronic format. All computers at head office will be password protected and data will be backed up on a regular basis by a third-party source.

Why Real Mortgage Associates Collects Personal Information

Real Mortgage Associates collects and uses Personal Information for the following purposes:

- Provide mortgage brokering services to the Client and offer products and services best suited to their needs, including arranging and/or renewing loan(s)/mortgage(s), informing the client of group creditor insurance and other products offered or approved by Real Mortgage Associates or its affiliates that may be of interest to the Client;
- Checking Client credit worthiness through credit bureau inquiry and personal information agents who have information on a Client's financial position.
- Advising Clients of the financial options, as well as, ongoing developments of the mortgage market and industry;
- Auditing the services provided to our Clients;
- Compliance with all municipal, provincial, federal and other applicable laws; and
- Such other specific purposes which are communicated to the Client by a member of Real Mortgage Associates before collection of such Personal Information.

Except when otherwise permitted by law, we will only use a Client's Personal Information for the purposes identified to the Client. When Personal Information is to be used for a purpose not identified, we will take all reasonable steps to ensure that new purpose is identified prior to use.

How Do We Collect Personal Information?

The Client is our main source of information. With the Client's consent, we may also obtain information directly from a third party to help us determine eligibility for various financial products and services. For credit matters, for example, it is essential that we know the clients' financial worth as well as the clients' credit record. We will also contact other lenders, financial institutions, credit bureaus and employers. Consent is therefore important because without it, we will not be able to carry out the appropriate inquiries and it might be difficult for us to offer the credit product requested. In most cases, consent is given on the forms used for specific products or, from time to time, on a separate form. The declaration of consent is clear and unambiguous.

Consent

A clients' provision of Personal Information to Real Mortgage Associates means that they agree and consent that Real Mortgage Associates can collect, use and disclose such Personal Information in compliance with this Privacy Policy. Real Mortgage Associates will not collect, use or disclose a Client's Personal Information without the Client's requisite consent, except in certain extraordinary circumstances. Such extraordinary circumstances shall include without limitation, when legal, medical or security reasons make it impossible or impractical to obtain consent or where it is otherwise in the best interests of the Client.

The most common method we use to obtain a Client's consent is by way of the Client's consent as confirmed by the application. Where practicable, we may also obtain a Client's consent through oral communications or other written documentation.

Our Clients may withdraw their consent by written notice to us at any time, subject to any legal or contractual restrictions and reasonable notice. A Client's refusal to provide, or subsequent withdrawal of, his or her consent may affect Real Mortgage Associate's ability to provide the Client with mortgage services. A member of Real Mortgage Associates will inform the Client of the implications of such withdrawal. To withdraw consent, a Client should contact the Chief Privacy Officer in writing at:

Attn: Chief Privacy Officer

Real Mortgage Associates 3370 South Service Rd,
Garden Floor Burlington, Ontario
L7N 3M6

Phone: 1 877 677 7778

Use and Disclosure of Personal Information

We will use a Client's Personal Information to provide financial advice and services to the Client, to administer our database, to include Clients in direct marketing Activities and for the other uses described above under the heading "Why Real Mortgage Associates Collects Personal Information". Under certain circumstances, Real Mortgage Associates will disclose a Client's personal information to third parties. Specifically, Personal Information may be used, shared and disclosed to, from, or with, the members of Real Mortgage Associates, witnesses in a litigation proceeding, experts retained on a Client's behalf, private investigators, agents retained on behalf of a Client, credit reporting agencies, credit bureaus, as well as such other third parties as are necessary to facilitate the matter for which the Client has retained our office and provided its consent.

Under certain circumstances Real Mortgage Associates may disclose Personal Information where:

- required or authorized by law to do so, for example if a court issues a subpoena;
- a Client has consented to the disclosure;
- when mortgage services by Real Mortgage Associates are provided to a Client requiring us to give Personal Information about a Client to a third party (for example, to a lender in a real estate mortgage transaction) the Client's consent will be implied, unless the Client tells us otherwise;
- where it is necessary to pull a credit bureau for purposes of processing a mortgage transaction;
- if Real Mortgage Associates engages a third party to provide administrative or support services to us (such as computer back-up services, payroll, shredding or archival file storage) and the third party is bound by our Privacy Policy;
- protection of Real Mortgage Associate's best interests
- protection of public interests such as the denouncement of criminal Activity such as fraud or money laundering. In all such cases, authorities are contacted and personal information may be disclosed;
- if we retain a law firm(s) to Act on our behalf for any reason; or
- if the information is already publicly known.

Limiting collection and retention of Personal Information

Real Mortgage Associates limits the collection of a Client's Personal Information to that which is necessary for the purposes identified in this Privacy Policy as same may be amended from time to time, or for any additional purpose identified to the Client before the collection of the Personal Information. As well, Personal Information is not used or disclosed for purposes other than those for which it was originally collected, except with the consent of the Client or as otherwise permitted by law.

Real Mortgage Associates will retain Personal Information only for so long as it is needed to fulfill the purposes for which it was obtained and to meet our professional requirements as set out our governing regulatory bodies and/or any other legal requirement, statutory or otherwise, from time to time.

Accuracy

Real Mortgage Associates strives to ensure that a Client's Personal Information is as accurate, complete, and up-to-date as is necessary for the purposes for which it is used.

Safeguards

Real Mortgage Associates endeavors to maintain adequate safeguards to protect against loss, theft, unauthorized access, disclosure, copying, use or modification of Clients' Personal Information in the care of the Real Mortgage Associates. Real Mortgage Associates uses various methods to safeguard personal information, including physical security, computer and electronic security, destruction of information no longer needed, and contractual protections with third party data processors.

Protection

Client lists are never passed on to third parties other than affiliated members of Real Mortgage Associates. When they are hired, our employees and agents must undertake to respect the confidential nature of client information. Only employees and associates who need to view the file as part of their work have access to this information.

Accountability, Openness and Client Access

Real Mortgage Associates is responsible for the Personal Information under its control and has appointed a Chief Privacy Officer to oversee our efforts to comply in all material respects with applicable privacy legislation and the terms of this Privacy Policy. The Chief Privacy Officer and those designated by the Chief Privacy Officer address and investigate questions or concerns regarding a Client's Personal Information.

Real Mortgage Associates will provide a Client access to their Personal Information. The Client may correct or amend any inaccuracies in the Client's Personal Information. Real Mortgage Associates has the right to refuse a request for access to Personal Information if:

- The information is protected by legal privilege;
- Granting access would reveal confidential commercial information;
- The information was collected for purposes related to the detection and prevention of fraud;
- The information was generated in the course of a formal dispute resolution process;
- The information would likely reveal personal information about another individual;
- The request is vexation or frivolous;
- To protect our firm's rights and property.

Advertising

All advertising will be in compliance with the standards of practice, as outlined in the Mortgage Brokers Lenders and Administrators Act.

The Act defines public relations materials as:
[Reg.187/08,s1]

Any advertisement by the broker or agent in connection with his or her status as a licensee or his or her dealing or trading in mortgages that is published, circulated or broadcast by any means

Or

Any material that a broker or agent makes available to the public in connection with his or her status as a licensee or his or her dealing or trading in mortgages.

These definitions are quite broad, brokers and agents should ensure that all their public relations materials meet the requirements outlined below and have been reviewed by their brokerage.

Whether “customer-facing forms and disclosure documents”, such as the Cost of Borrowing Disclosure Form, are considered to be public relations materials, the forms should state the name and licence number of the brokerage in order to make them compliant with the MBLAA rules and regulations.

Use of Authorized Names

[Reg.188/08,s.5-6]

Brokerages, brokers, agents may operate only under the names in which they are licensed. These are the authorized names. These are the names shown in the public registry of licensees on the FSCO website.

For Brokerages, both the authorized name and the licence number must be prominently disclosed in all of their public relations materials.

If public relations materials include the name of a broker and /or agent, the materials must identify the broker and/or agent by an approved title at least once in the materials. The approved titles are

For brokers: “*mortgage broker*”, “*broker*”.

For agents: “*mortgage agent*”, “*agent*”.

Brokers or agents must not identify themselves using titles such as mortgage specialist, mortgage consultant, consultant, etc. in place of the above approved titles. However they may use terms as additional descriptors so long as they so have first used the approved title. For example:

Jack Brown, AMP, Mortgage Agent
Specialist in Retail and Commercial Mortgages.

Bob Dackson, AMP, Broker
A highly trained mortgage specialist.

Mortgage brokers and agents must disclose their license number and the authorized name and license number of their home brokerage in all of their public relations materials.

All advertising must be approved by the principal broker or designate before final orders are placed. This includes the ordering of business cards, printed material, websites, media and advertising, flyers, brochures, and all other marketing materials. Brokerage Name and License number must be prominently displayed along with Head office address.

FSCO allows Brokers and Agents to be licensed in their legal name and a “Nick name” as provided in brackets on the application for licensing. An agent can submit his name in the following format: Pasquale Jossepi (Pat) Morelli. The full name in this format including the brackets can be used in public relations material. The bracketed name cannot be used if it is not part of the name provided in the license application and part of the public registry on the FSCO website. The use of only the bracketed name is technically non-compliant with the rules.

The principal broker will approve the draft ad, and must also approve the final artwork or content before the order is finalized.

If a Broker or Agent wishes to change the name in which they are licensed (e.g. to add a bracketed name, to change to a married name, etc.) a written request, with supporting documentation if required, must be submitted to the FSCO licensing department to have the change approved.

Business cards

[Reg.188/08s.5-6]

Subject to guidelines established by FSCO, the name of Real Mortgage Associates will be prominent on all business cards. The brokerage license number will appear under the company name. The broker's or agent's name as registered with FSCO and FSCO's registration number will appear with the title **broker** (or mortgage broker) or **agent** (or mortgage agent) depending on their licensing qualifications. No other titles will be permitted on business cards.

If an agent is operating from a location where the public is invited to do business, this location must be listed as a branch office with head office and that address may be indicated on the business card. If your location is not registered as a branch office, that address may not be shown on the business card. The Head office address must be listed and your local phone number may be included on the card.

Use of names

On all advertising materials, brokers or agents where identified, must use their legal names as they are licensed with FSCO, or an alias or known-as name, which has also been licensed with FSCO. No other names are permitted in any advertising materials.

Yellow Pages

Yellow Pages ads must be approved in advance by head office. In all display advertising, Real Mortgage Associates Inc. and the corresponding license number must be prominent. In addition, your name and license qualifications (broker or agent) must also be indicated.

Brokerages must answer their telephones using either their legal name or trade name as registered with FSCO.

In the case of a simple listing, the listing must be in the name of Real Mortgage Associates. Your name as broker or agent may also appear in the listing, but under no circumstances may the listing be in your name alone.

If you operate a personal Corporation, that corporation must be invisible to the public. Its name cannot be used in any advertising or marketing materials and is there for payroll purposes only. You must represent yourself as a broker or agent of Real Mortgage Associates at all times.

Websites

Brokers and agents are permitted to maintain personal websites. Although the URL for the website may belong to the broker or agent, all content on the site shall refer to Real Mortgage Associates.

All content on the sites must be approved by head office. The homepage must refer to Real Mortgage Associates and show the license number of the company. All other pages must indicate that the agent or broker is a representative of Real Mortgage Associates, indicating the licensing designation.

Other forms of advertising

The content, appearance, and messaging in all other forms of advertising must be consistent with RMA's overall advertising philosophy. All advertising must be approved in advance by head office.

File Handling and Retention

Files in process

All files that are in process should be maintained in accordance with the privacy policy and protection of data policy. Once complete, the file will be forwarded to head office for compliance audit and payment of fees due.

Completed files

All completed files will be forwarded in electronic format to head office. Upon receipt of the file, the chief Compliance Officer or designate will review all documentation to ensure total compliance with MBLAA, 2006. An electronic notation in the file will indicate that the file has been reviewed and complies.

Files that are deficient will be returned to the originating agent for rectification. No payment will be made to the broker or agent until the file is complete and satisfies all of the requirements.

File retention

[Reg.188/08,s.48 (1-3)]

Original mortgage files will be retained with the mortgage agent/broker for a period of six years past the maturity date of the mortgage whether the file closed or not. All documentation deemed to be pertinent will be kept on file for six years. This includes emails and notes on all files.

Electronic copies of closed mortgage files will be retained at Head Office at 3370 South Service Rd Burlington, ON for a period of six years past the maturity date of the mortgage. All documentation deemed to be pertinent by us will be kept on file for six years. [Reg.188/08,s.4-7]

Documentation relating to cancelled or incomplete files will be maintained for a minimum of six months by acting agent or broker. All hard copies will be shredded after that point in time.

[Reg. 188/08 s. 46(1)]

Complaints

The principal broker shall Act as the Chief Complaints Officer for the company. Upon receipt of a complaint from a consumer or an investor, the Complaints Officer will take immediate action to investigate.

The Brokerage must respond to complaints in writing, outlining how the brokerage can resolve the complaint. The brokerage will also advise the person making the complaint that if he/she is not satisfied with the resolution and believes the complaint relates to a contravention of the Act or its Regulation the complainant may refer the issue to the regulator. [Reg.188,s.41]

Should the complaint relate to a completed file, the Complaints Officer will pull existing documentation on file with the company. The Complaints Officer will review the documentation, and then forward the complaint to the specific agent or broker for comment.

Should the complaint relate to a file and progress, the Complaints Officer will immediately contact the agent or broker responsible for the file and forward the complaint for comment.

The Complaints Officer will respond to all complaints verbally within 48 hours of receipt and will follow up with a written response as quickly as possible.

Should the agent or broker responsible for the file not be forthcoming in dealing with the matter, the Complaints Officer will take all reasonable steps to deal with the matter.

Should the complaint relate to an issue relating to the Mortgage Brokers Lenders and Administrators Act, all efforts will be made to determine if the transaction was in compliance with the legislation. If a breach of the legislation is discovered, remedial action will be taken immediately.

Should the complaint relate to a potential claim against the firm's errors and omissions insurance policy, the Complaints Officer will notify the insurer of the potential claim as soon as possible.

At no time will an agent or broker respond directly to the complaint. All responses will come directly from the Complaints Officer.

Use of Forms

Borrower Disclosure Forms

While the MBLAA 2006 does not provide for standardized borrower disclosure forms, all forms used by brokers and agents must be approved by RMA. Should a broker/agent choose to use a form other than the one supplied by Filogix, those forms must be approved in advance and must be in total compliance with the legislation.

Brokers wishing to enter into contractual agreements with their clients must have all sample contracts and forms approved in advance prior to their use. All broker/client contracts must be in full compliance with MBLAA 2006.

Investor/Lender Disclosure Statement

[Reg. 188/08, s. 31 & 32]

- The brokerage must give each lender and /or investor in a mortgage/investment in a mortgage that is not a member of the Designated Class of lenders and investors (e.g., a financial institution or a brokerage acting on its own behalf) a completed Investors and lenders Disclosure Form.
- Mortgage transactions with investors and/or lenders that are not a part of the Designated Class are referred to as “private transactions”.
- For investors/lenders that are not part of the Designated Class, disclosure with respect to the following must be provided
 - Role of the brokerage
 - Material risks of the mortgage/mortgage investment
 - Referral fees
 - Estimates of unknown Information
 - Mortgage Default
 - Conflict of Interest.

Brokers or agents who deal with private investors must complete government authorized disclosure forms accompanied with the risk tolerance form. While the forms may be completed by an agent, they must be signed by a broker before being forwarded to the investor for review.

In addition to the Investors and Lenders Disclosure Form, the brokerage must give each lender/investor the following:

- A copy of the mortgage instrument, in the case of an investment in an existing mortgage
- Documentary evidence of the value of the property (1) A copy of an appraisal of the property, completed within the preceding 12 months, or (2) other documentary evidence of the value of the property, other than an agreement of purchase and sale.
- If available, a copy of any agreement of purchase and sale entered into in the preceding 12 months.
- Evidence of the borrower’s ability to meet the mortgage payments
- A copy of the application for the mortgage and any supporting documents
- For a new mortgage; evidence of any down payment
- A copy of any agreement that the lender or investor may be asked to enter into with the brokerage
- Any other information, in writing, that would be reasonably considered material to a lender or investor’s decision about the mortgage or mortgage investment.

This disclosure and documentation described directly above does not apply if the lender or investor is a member of the Designated Class of lenders and investors.[Reg.188,s.31 (1)-(2)]

Mortgage Previously in Default

If the mortgage has been in default during the past 12 months, the brokerage must disclose to the investor the amount and duration of the default. The brokerage must get written acknowledgement that the investor has received this information. This disclosure and acknowledgement is currently addressed in the Investors and Lenders Disclosure Form.[Reg. 188/08,s.28]

Lender Renewal Form

[Reg. 188/08,s.32]

In cases of mortgage renewals, a brokerage must provide each lender that is not a member of the Designated Class with a completed Renewal Form. This form must be signed by a broker and addresses the same type of disclosures

covered in the Investor Disclosure Form.

In addition, the brokerage must provide the lender with the following:

- If an appraisal was completed over the preceding 12 months, a copy of the appraisal
- If an agreement of purchase and sale was entered into in the preceding 12 months, a copy of the agreement.
- Any other information, in writing, that would be reasonably considered material to a lender's decision about the mortgage renewal.
- This disclosure and documentation described directly above does not apply if the lender or investor is a member of a Designated Class of lenders and investors [Reg.188,s.31(2)]

Other Documentation

All forms completed by head office with respect to MBLAA 2006 will be completed on authorized government forms at all times. The most current version of all forms must be used.

Syndicated Mortgages

No Broker or Agent may participate in arranging Mortgage Syndication under REAL MORTGAGE ASSOCIATES INC.' name.

Mortgage Syndication [Reg. 188/08 s.3]

Errors and Omissions Insurance

[Reg. 188.s.42]

Every mortgage brokerage must have E&O insurance that includes coverage for fraudulent acts up to a minimum of \$500,000.00 for any one occurrence and \$1million for all occurrences during a 356 day period.

A brokerage must notify FSCO immediately if the E&O insurance maintained by a brokerage is cancelled or not renewed. Failure to comply with this requirement may result in \$1000.00 penalty.

Real Mortgage Associates will subscribe to an Errors and Omissions policy in compliance with the MBLAA 2006. Coverage will remain in force of all times.

The Compliance Officer will advise the insurer of any new agents being hired or any agents or brokers leaving the firm as required in the policy.

Proof of insurance will be available to FSCO upon request. Please use the form below.

Branch Offices

A branch office, as defined in the regulations, is any place where the public is invited to attend to transact business. Brokers and agents who maintain separate offices must list those offices as branches to be noted with FSCO. Any change of address for branch offices must be notified to FSCO within five days.

Brokers or agents who do not work out of a specified office, but invite the public into their home to do business must list their home address as a branch office.

A broker or agent who does not invite the public into their home, but simply runs a home-based office, is not required to notify FSCO of a branch. However, that address may not be listed on any marketing materials.

Supervising Branch Offices

Recommendations for supervising of branch offices include the following;

Each branch to be staffed at least one agent with a minimum 5 years of experience

Real Mortgage Associates will require a senior broker to conduct monthly face to face meetings and weekly telephone updates with assigned agents at branches to review transactions.

Human Resources

Personnel files

Head office will maintain a file for every broker or agent authorized to deal in mortgages on behalf of the company. This file will contain copies of the representative's qualifications, copy of photo identification, up to date contact information, and all other documents as deemed necessary during the hiring process. The file will also include any third-party contracts between RMA, a broker/agent, and their personal corporation and with any lenders as required. The personnel file should also include an acknowledgment that the broker/agent has received a copy of the company's policies and procedures and agrees to comply with same.

For any new employees joining the company, a resume will be included in addition to the above information. The Compliance Officer will process the license application for new hires within five days of their joining the company. New hires will not be permitted to carry on the business of dealing in mortgages until their application has been approved by FSCO.

Personal corporations

Should a broker or agent require that payment for services be paid to a corporation as opposed to themselves directly, a number of agreements must be in place before any funds can be advanced. The agreements must be in full compliance with the regulations of MBLAA 2006, in addition to agreements between the agent/broker and their personal corporation, which also signifies compliance with the legislation. The corporation may not receive any compensation for mortgage related activities from any source other than RMA.

Use of third-party payroll service

Should an agent or broker choose to utilize the services of a third-party payroll provider, an agreement must be in place between RMA, the broker/agent, and their personal corporation directing payment of funds to that third-party provider.

Receipt of non-cash consideration

A broker or agent who receives nonmonetary compensation (basis points, reward points, or other rewards) directly from a lender must complete a three party agreement between themselves, the lender and RMA, whereby RMA acknowledges payment of those items directly to the broker/agent and does not object to same.

Restriction on Commissions by the Brokerage

REAL MORTGAGE ASSOCIATES INC. will make no mortgage commission payments to a broker or agent licenced with another brokerage. All compensation earned on mortgage applications co-brokered will be paid directly to the referring brokerage and not an individual Broker or Agent.

Other Matters

Real Mortgage Associates Inc. does not carry on any business outside of the mortgage brokerage.

Supervision

As required under MBLAA 2006, all agents must work under the supervision of a licensed broker. RMA will appoint a number of licensed brokers to Act as regional supervisors. These brokers will be responsible for the following:

- the broker must be available as required to assist the agents under his supervision
- the broker will Act as a mentor as well as a supervisor to the agents under his control
- the broker will review and sign Investor Disclosure Forms on behalf of the agents prior to them being forwarded to the investor for review
- the broker will physically meet with all agents under his control at least once a quarter

All agents will be required to attend staff meetings on a regular basis either in person or by conference call. Attendance will be mandatory for these meetings.

While the chief Compliance Officer is ultimately responsible for the documentation of agents' files, the regional supervisor will randomly spot check files in progress to ensure compliance with the legislation.

Agents who hire assistants to assist with administrative functions must ensure that the assistants are not dealing in mortgages as defined in the Act. Administrative assistants are prohibited from taking applications, signing clients or directly discussing product placement with potential clients. Their role should be restricted to dealing with lenders and borrowers with respect outstanding documentation and other administrative functions. It will be the responsibility of the supervising broker to ensure that administrative assistants are not dealing in mortgages illegally.

Be advised that, The Principal Broker checks FSCO's website daily to confirm that an agent is not registered with another Brokerage.

REAL MORTGAGE ASSOCIATES INC. will notify the Superintendent of any Broker or Agent who it has been deemed to be unfit or not suitable to be licenced as required by [Reg. 188/08, s. 43(3)]

The supervising broker will immediately notify the chief Compliance Officer of any contraventions of the legislation. The supervising brokers will Act as a liaison with the chief Compliance Officer who is ultimately responsible for the overall supervision of all staff.

Termination

In the event an agent is doing unlawful acts, the Principal Broker of RMA will terminate with cause and report immediately to FSCO the conduct of the agent which will forbid the agent to work in the mortgage industry.

In the event of termination of a RMA senior agent or broker account, all outstanding mortgage files that have closed must be sent in to Head Office within 7 days.

RMA will allow access to Filogix Expert for completion of any files in progress for 30 days. Credit Bureau access will be terminated immediately.

All outstanding commissions payable after the effective termination date will be paid out at a 90/10 split (90 percent to the senior agent or broker).

All outstanding expenses including Credit Bureau and licensing fees etc. will be deducted as they are presented to RMA from the respective suppliers.

All business cards, websites, yellow pages or any form of advertising promoting the association of the agent with Real Mortgage Associates Inc. must be shredded or cancelled immediately.

Dealing with Borrowers and Lenders

When dealing with borrowers and lenders, brokers and agents will adhere to the following guidelines as established in the Regulations.

Role of the brokerage

The broker or agent must determine whether the brokerage represents the borrower, the lender, or both and must disclose same to all parties in the prescribed manner.

In the case of conflicts of interest, all conflicts (whether real or perceived) must be disclosed in the prescribed manner. Examples of potential conflicts include:

When dealing with borrowers

- if the lender is also a broker, brokerage or agent
- if the lender is related to the broker or agent
- if the broker, agent or brokerage maintains a controlling interest in the lender

When dealing with investors

- if the broker, agent or brokerage will receive additional benefits from the transaction other than those disclosed in the normal course of business
- if any party related to the transaction (borrower, appraiser, solicitor or other party) is also related to the broker, agent, or brokerage

Suitability of Mortgage Investments

Except in the case where the lender is a financial institution, the broker or agent shall take reasonable steps to ensure the investment is suitable for the prospective investor. This will include maintaining an understanding of the lending criteria of potential investors.

Verification of Identity

Brokers and agents will make every effort to verify the identity of their borrowers. If they are unable to do so they will notify the potential lenders forthwith.

When dealing with a private investor for the first time, it would be prudent to verify the identity of that investor.

Identification of Material Risks

Except in the case of institutional or designated lenders, brokers and agents will notify potential lenders or investors of any material risks in the transaction in the manner prescribed in the regulations.

Unlawful Transactions

A broker or agent will not act as a representative of any borrower, lender or investor if he has reasonable grounds to believe that the transaction is unlawful.

If a broker or agent has reason to doubt a borrower's legal authority to mortgage a property, you will notify prospective lender at the earliest opportunity.

If a broker or agent has reason to doubt the accuracy of information contained in a mortgage application or in supporting documentation, he will advise the prospective lender immediately.

Implementation of Regulations

Implementation Date	Regulation	
July 1, 2008	Licensing and education	
	Exemption for disclosure to dedicated class of investors	
	Use of authorized names	
	Complaints	
	Unlawful transactions	
	Restriction on tied selling	
	Disclosure brokerage's relationships	
	Disclosure to private investors	
	Requirement to carry E&O insurance	
	Restrictions on payments to personal corporations	
	Restrictions on payments to non-licensed entities	
	Retention of records	
	January 1, 2009	Cost of borrowing
		Use of names and license numbers in public relations materials
Duty to verify customer's identity		
Disclosure re: roll and relationships of brokerage		
Disclosure of fees receivable and payable		
Suitability of mortgage and material risks		
Conflicts of interest		
Disclosure to borrowers in new format		
Restriction on advance fees under \$300,000		
Policies and procedures		
Agreements regarding non-monetary compensation		