



Transaction Number

Important Disclosure Duties

In this Investor/Lender Disclosure Statement For Brokered Transactions ("Disclosure Statement"), mortgage brokerages are required to provide you with the completed Disclosure Statement that contains important information in connection with this transaction.

A brokerage must:

1. Advise you if the brokerage cannot verify the identity of another party to the transaction.
2. Disclose whether the brokerage is acting for the lender, the borrower, or both the borrower and lender.
3. Disclose to a lender the brokerage's relationship with each borrower, and disclose to an investor the brokerage's relationship with each party to the transaction.
4. Disclose whether the brokerage is receiving a fee or other remuneration for referring you to a person or entity, and disclose the relationship with that person or entity.
5. Disclose material risks about the transaction that you should consider.
6. Disclose actual or potential conflicts of interest that may arise from this transaction.
7. Take reasonable steps to ensure that any mortgage investment the brokerage presents to you is suitable having regard to your needs and circumstances.
8. If applicable, complete the Addendum (Form 1.1) if Construction and Development Loans are involved, including syndicated or non-syndicated mortgages.

If your investment is being administered, the mortgage administrator must:

1. Disclose the relationship, if any, between the administrator and each borrower.
2. Disclose whether the administrator may receive, or may pay, any fees or other remuneration in connection with the administration of the mortgage, the basis for calculating them and the payor's identity.
3. Disclose whether it is receiving a fee or other remuneration for referring you to a person or entity, and disclose the administrator's relationship with that person or entity.
4. Disclose actual or potential conflicts of interest that may arise from the transaction.

You must receive these disclosures in writing and acknowledge receipt of them. You should keep a copy for your records.

Important: This form is required by law and will provide the prospective investor/lender with important information to assist you in making a decision about whether to invest/lend.

This information must be disclosed **at least two business days** before you commit to lend/invest, i.e. two business days before the **earliest** of the following events:

- When the brokerage receives or enters into an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage.
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2).

Section 1 - Caution

1. This Disclosure Statement has not been filed with the Financial Services Commission of Ontario (FSCO). Neither FSCO nor any other authority of the Government of Ontario has reviewed or approved the completed Disclosure Statement.
2. All mortgage investments carry a risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. You should very carefully assess the risk of the mortgage transaction described in this Disclosure Statement, the Addendum (Form 1.2) if applicable and in the supporting documentation before making a commitment.
3. Syndicated mortgages (defined as more than one investor/lender) may carry additional risks pertaining not only to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.
4. Inexperienced investors are **not** advised to enter into mortgage investments.
5. You should consider inspecting the property or project as identified in section 3 Part A of this Disclosure Statement.
6. This mortgage investment is not insured by the Government of Ontario or any other investor protection fund.
7. You are **strongly** advised to obtain independent legal advice before committing to invest.
8. This mortgage investment cannot be guaranteed by the mortgage brokerage. If you are not prepared to risk a loss, you should not consider mortgage investments.
9. If this investment is for a mortgage to fund a development, construction or commercial project, the repayment of this investment may depend on the successful completion of the project, and its successful leasing or sale.
10. If you are one of several investors in a syndicated mortgage, you may not be able to enforce repayment of your investment on your own if the borrower defaults.
11. You should ensure you have sufficient documentation to support the property valuation quoted in this Disclosure Statement. The property value may decrease over time, including the period between the date of the most recent appraisal and the date you complete the transaction. A decline in property value may also affect the return and/or value on your investment in the event of a default in payments under this mortgage.
12. You should satisfy yourself as to the borrower's ability to meet the payments required under the terms of this mortgage investment.
13. The mortgage administrator, if applicable, cannot make payments to you except from payments of principal and interest made by the borrower under the mortgage. Therefore, the mortgage administrator cannot continue mortgage payments to you if the borrower defaults.
14. If you want to withdraw your money before the end of the term, a new investor/lender may be required and there is no assurance that there will be a market for the resale or transfer of the mortgage.
15. If the contract provides for an extension, you may not be able to opt out of any extension of a mortgage term. You need to review terms relating to the extension of mortgages carefully.
16. This Disclosure Statement, the Addendum (Form 1.2) if applicable and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment. By law, the mortgage brokerage must disclose in writing the material risks of the mortgage investment. There may be additional risks to the investment. You should satisfy yourself regarding all factors relevant to this investment before you commit to invest.

Print name of Mortgage Broker

Licence number of Mortgage Broker

Signature of Mortgage Broker

Date (yyyy-mm-dd)

Name of Mortgage Brokerage

Licence number of Mortgage Brokerage

Acknowledgement

I, _____, of
Print name of Investor/Lender

Address

acknowledge receipt of this Caution, signed by the above named mortgage broker.

Signature of Investor/Lender

Dated by Investor/Lender (yyyy-mm-dd)

Section 2 - Declaration by the Mortgage Brokerage

1. *The Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this Disclosure Statement and Addendum, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (referred to below as "its" [the brokerage's] brokers and agents).

This declaration is made by

Name, address and licence number of mortgage brokerage

2. Does the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property identified in section 3, Part A?

No Yes

If Yes, explain:

3. Does any person related to the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property?

No Yes

If Yes, explain:

4. Is the borrower related to the mortgage brokerage or to any of the officers, directors, partners, employees or shareholders of the brokerage or any of its brokers or agents?

No Yes

If Yes, explain:

5. Is the individual or company that appraised the property related to the mortgage brokerage or to any of its brokers or agents?

No Yes

If Yes, explain:

Investor/Lender Initials:

Date:

6. Describe any conflicts or potential conflicts of interest in connection with this mortgage investment, other than those described above.

7. Describe what steps the mortgage brokerage has taken to reduce the risk resulting from any conflicts or potential conflicts of interest.

8. The mortgage brokerage is acting for:

- The investor/lender and not the borrower
 The borrower and not the investor/lender
 Both the borrower and the investor/lender

9. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?

- No Yes

Has it been in default in the last twelve months?

- No Yes

If Yes to either, explain:

10. Will the mortgage proceeds be used to refinance, pay out, redeem or reduce an existing mortgage on **this** property?

- No Yes

If Yes, explain:

11. Does the mortgage brokerage or any of its brokers or agents expect to gain any interest or benefit from this transaction other than the fees disclosed in Part D of this Disclosure Statement?

- No Yes

If Yes, explain:

Investor/Lender Initials:

Date:

12. The mortgage brokerage is required to disclose in writing the material risks of this investment.

Describe the material risks of this investment.

The mortgage brokerage has fully complied with all requirements of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations.

I have fully completed the above Declaration of Brokerage Relationships and Potential Conflicts of Interest in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every aspect to the best of my knowledge.

Signature of Mortgage Broker

Date (yyyy-mm-dd)

Print name of Mortgage Broker

Licence number of Mortgage Broker

Acknowledgement

I, _____,
Print name of Investor/Lender

acknowledge receipt of this Declaration by the Mortgage Brokerage signed by

Print name of Mortgage Broker

Signature of Investor/Lender

Dated by Investor/Lender (yyyy-mm-dd)

Section 3 - Information Disclosure Summary

Part A. Property/Security to Be Mortgaged

1. Legal and Municipal address of the property:

2. Type of Property:

Property with existing buildings

Single family residential

owner occupied

rental

condominium

One-to-four unit residential

Five or more unit residential

Commercial

Industrial

Agricultural

Other, explain below _____

Vacant land, development or construction project. Detail of project/proposed use, including projected starting and completion dates:

Other: _____

3. Purchase Price:

(a) Purchase Price of Property: _____ (b) Date of Purchase _____

4. Property Taxes:

(a) Annual property taxes: _____

Are taxes in arrears?

No

Yes

Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance.

Amount of arrears _____

5. Condominium Fees (If applicable):

(a) monthly condominium fees _____

Are fees in arrears?

No

Yes

Amount of arrears _____

Investor/Lender Initials:Date:

Part A. Property/Security to Be Mortgaged (continued)

6. Zoning:

Is the zoning on the property appropriate for the proposed use?

No

Yes

Investor/Lender's Solicitor to verify zoning prior to closing or ensure coverage under title insurance.

If No, details:

7. Appraisal

An appraisal has not been done on the property within the past 12 months OR

An appraisal has been done on the property within the past 12 months

For all properties, appraised "as is" value: _____

If the appraisal was addressed to someone other than the investor/lender of record, provide a transmittal letter.

Date of appraisal: _____

Name and address of appraiser:

Investor/Lender Initials:	Date:
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Part B. Mortgage Particulars

1. Type of Mortgage:

Your investment represents:

- the entire mortgage OR
 a portion of the mortgage Your portion represents ___% of the total.

Number of other parties that have an interest in this mortgage. _____

In what name(s) will the mortgage be registered?

If the mortgage is not registered in the investor's name, explain:

2. Existing or New Mortgage:

- An existing registered mortgage or portion of an existing registered mortgage is being purchased.
 Your investment will fund a new mortgage or portion of a new mortgage that has not yet been registered.
-

3. Administered Mortgage:

Will the mortgage be administered for you? **Important: A Mortgage Administrator must be licenced under Mortgage Brokerages, Lenders and Administrators Act, 2006.**

- No
 Yes

If "Yes", name, address and licence number of administrator:

4. Terms of the Mortgage:

Amount of your investment: _____

Face value of the mortgage: _____

Interest rate is fixed at _____ per annum OR

Interest rate is variable. Explain:

Compounding period: _____

What is the borrower's cost of borrowing as disclosed to the borrower? _____

Payment frequency _____

Payments to be made by borrower: _____

Payments to you: _____

(See Part D for fees charged to you)

Term: _____

Amortization: _____

Maturity date: _____

Balance on maturity: _____

Borrower's first payment due: _____

Borrower's rate of interest if different from the rate of interest to be paid to the investor.

Borrower's rate of interest: _____

Investor(s) rate of interest: _____

Terms and conditions of repayment:

Investor/Lender Initials:

Date:

Part B. Mortgage Particulars (continued)

5. Rank of Mortgage (according to information from borrower):

The mortgage to be purchased/advanced is/will be a:

First Second Third Other mortgage _____

Can the rank of the mortgage change?

No Yes

If yes, explain how it might change and is it expected to change?

Prior encumbrances (existing or anticipated):

None OR

a) Priority: _____

Face Amount: _____

Amount Owing: _____

In default?

no yes unknown

If yes, explain

Name of Mortgagee:

b) Priority: _____

Face Amount: _____

Amount Owing: _____

In default?

no yes unknown

If yes, explain

Name of Mortgagee:

Other encumbrances, including environmental, regulatory and/or liens:

6. Loan to value ratio (according to information from borrower):

- a) Total of prior encumbrances _____
- b) Amount of this mortgage: _____
- c) Total amount of mortgages: (a + b) _____
- d) Appraised "as is" value: (from Part A) _____
- e) Loan to "as is" value: (c/d X 100) _____
- f) Projected value: (where appropriate): _____
- g) Loan to "projected value" ratio: (c/f X 100) _____

7. Amount of Mortgage Advance

If the amount of the mortgage advance is less than the face value of the mortgage, provide explanation

Investor/Lender Initials: _____ Date: _____

Part C. The Borrower

Name and Address of Borrower:

The brokerage has identified the borrower(s) and evidence of identity is attached/will be provided on
Date (yyyy-mm-dd) _____

The brokerage has not verified the identity of the borrower(s).

Explain what steps the brokerage will take to verify the identity before closing:

Important: Financial information about the borrower's ability to meet the mortgage payments must be attached to this Disclosure Statement.

Part D. Fees

1. Fees and charges payable by the investor/lender

	Estimate
Mortgage brokerage fee/commission/other costs:	_____
Approximate legal fees and disbursements:	_____
Administration fees (where applicable):	_____
Any other charges: Specify:	_____
_____	_____
_____	_____
_____	_____
Total:	_____

Are any of the above fees or charges refundable?

No

Yes

Explain:

2. Fees and costs payable by the borrower:

Estimate	Paid to	Purpose
_____	_____	_____
_____	_____	_____
_____	_____	_____

Investor/Lender Initials:

Date:

Part E. Attached Documents

Important: You should review the following documents carefully and assess the risks of this investment before committing to invest. You should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments in the box below.

- | | Attached |
|---|--------------------------|
| 1. If the statement concerns an existing mortgage, provide a copy of the mortgage. | <input type="checkbox"/> |
| 2a. If an appraisal of the property has been done in the preceding twelve months and is available to the mortgage brokerage, a copy of the appraisal. | <input type="checkbox"/> |
| 2b. If a copy of an appraisal of the property is not delivered to you, documentary evidence of the property value, other than an agreement of purchase and sale. | <input type="checkbox"/> |
| 3. If an agreement of purchase and sale in respect of the property has been entered into in the preceding twelve months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale and all related schedules, amendments and waivers. | <input type="checkbox"/> |
| 4a. Documentary evidence respecting the borrower's ability to meet the mortgage payments. | <input type="checkbox"/> |
| 4b. If you request, a copy of the borrower's application for a mortgage including documents submitted in support of application. | <input type="checkbox"/> |
| 5. If the mortgage is for the purchase of a property, documentary evidence of any down payment made by the borrower for the purchase of the property. | <input type="checkbox"/> |
| 6. A copy of any agreement that you may be asked to enter into with the mortgage brokerage and/or mortgage administrator. | <input type="checkbox"/> |
| 7. Completed Addendum for Construction and Development Loans (Form 1.1) | <input type="checkbox"/> |
| 8. List other documents being provided here. | |

9. If other relevant documents are not being provided or the documents are not attached explain:

Important: The mortgage brokerage is also required to provide you with all other information a lender or an investor of ordinary prudence would consider to be material to a decision whether to lend money on the security of the property or invest in the mortgage, so that you can make an informed decision before you commit to lend/ invest. This information might include the following:

1. If the property is a rental property, details of leasing arrangements, assignment of rent provisions and vacancy status.
2. Environmental considerations affecting the value of the property.
3. If applicable, attach any power of attorney authorizations.

Investor/Lender Initials:	Date:
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Part F. Certification

This Information Disclosure Summary has been completed by:

Name, address and licence number of mortgage brokerage

I have fully completed the above Information Disclosure Summary in accordance with the Mortgage Brokerages, Lenders and Administrators Act, 2006 and its regulations and declare it to be accurate in every respect to the best of my knowledge.

Print name of Mortgage Broker

Licence number of Mortgage Broker

Signature

Date (yyyy-mm-dd)

Acknowledgement

I, _____, of

Print name of Investor/Lender

address

acknowledge receipt of this Information Disclosure Summary, signed by the above named mortgage broker.

Signature of Investor/Lender

Dated by Investor/Lender (yyyy-mm-dd)

One copy of this form must be provided to the prospective lender/investor, and one copy must be retained by the mortgage brokerage

Important: The information in this Disclosure Statement must be provided to you at the earliest opportunity and, in any case, no later than two business days before the earliest of the following events:

- When the brokerage receives or enters an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage.
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2).