

Mortgage Brokers

BCFSA's regulatory priorities for mortgage brokers are categorized into two main initiatives: (1) Effective Cross-Sector Education and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities for mortgage brokers over the next three fiscal years. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later.

The priority objective for the 2022/23 fiscal year is developing a continuing education program for mortgage brokers based on the BCFSA program for real estate licensees, with implementation anticipated to begin in the last quarter of FY 2022/23.

Consultation	Implementation	Publication
		●

Topic	YEAR 1 FY 2022/23				YEAR 2 FY 2023/24	YEAR 3 FY 2024/25
	Q1 Apr 1-Jun 30	Q2 Jul 1-Sept 30	Q3 Oct 1-Dec 31	Q4 Jan 1-Mar 31	Q1-Q4 Apr 1-Mar 31	Q1-Q4 Apr 1-Mar 31
Effective Cross-Sector Education						
Enhanced Continuing Education						
Applied Practice Course Phase I - Introducing Practical Training						
Applied Practice Course Phase II - Enhancing Course Components						
Emerging Risks						
Anti-Money Laundering						
Natural Catastrophe and Climate Risk						

DETAILED SUMMARY OF REGULATORY PRIORITIES

Effective Cross-Sector Education

As an integrated financial services regulator, BCFSa will leverage the existing education program and resources for real estate licensees to develop and deliver a robust program of licensing and continuing education to mortgage brokers. Over the next three fiscal years, BCFSa will take a phased approach to introducing education for mortgage brokers. This work is an important priority for BCFSa and will help to promote confidence in licensing requirements and the professionalism of the mortgage broker industry.

Enhanced Continuing Education. In Q4 FY 2022/23, BCFSa will begin offering mandatory continuing education to mortgage brokers, aligning requirements with those for real estate licensees. The first course to be introduced, “Legal Update” will provide legal and regulatory updates for mortgage brokers. A second course will launch in FY 2023/24 focusing on ethical decision making in the context of the financial services sector.

Applied Practice Course Phase I: Introducing Practical Training. In Q3 FY 2022/23 BCFSa anticipates beginning consultation on a multi-year project to develop an Applied Practice Course (“APC”) for mortgage brokers. This practicum course would be required following the successful completion of a licensing exam. This requirement is already in place for real estate licensees providing trading services and will be expanded to other licensing categories in real estate, along with mortgage brokers.

Applied Practice Course Phase II: Enhancing Course Components. Following the development of a foundational APC course, BCFSa anticipates beginning work to further augment the courses through the development of a more rigorous mentorship component and the introduction of an additional examination requirement. Consultation on these further developments is not planned until FY 2023/24 and would focus on development of mentor training and a program including integrated examination.

Emerging Risks

BCFSa closely monitors current and emerging risks that have the potential to have a material impact on regulated entities and financial services consumers. Based on continuous risk monitoring, BCFSa will consider how to respond and whether new regulatory initiatives are required.

Anti-Money Laundering. BCFSa will continue efforts to strengthen B.C.’s Anti-Money Laundering (“AML”) regime in response to the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, BCFSa will consider developing a cross-sector guideline on AML for consultation in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. The impact of natural catastrophes, including earthquakes, floods, and wildfires, in B.C. poses a significant risk to the financial services sector. Also, consumers appear to lack sufficient information to make informed decisions to mitigate financial loss. BCFSa will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.