

IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

- AND -

IN THE MATTER OF DULCE MARIA COELHO-FEDORIW

CONSENT ORDER

(Pursuant to sections 8 and 8(1.2) of the *Mortgage Brokers Act*)

[This Order has been redacted before publication.]

WHEREAS Dulce Maria Coelho-Fedoriw (“Ms. Coelho”) was registered as a submortgage broker from November 24, 2010 until July 9, 2020;

AND WHEREAS the Registrar of Mortgage Brokers (“Registrar”) issued a Notice of Hearing to Ms. Coelho on November 29, 2019;

AND WHEREAS the following agreement has been reached between Ms. Coelho and the Staff of the Registrar (“Staff”);

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Ms. Coelho, and Ms. Coelho accepts the following findings made against her:

1. In her capacity as a submortgage broker, Ms. Coelho conducted business in a manner that is prejudicial to the public interest, contrary to section 8(1)(i) of the *Mortgage Brokers Act* (“MBA”), in that she facilitated the unregistered mortgage broker activities of [Broker 1] (“[Broker 1]”) and [Brokerage 1] (“[Brokerage 1]”), when she carried out one or more of the following:
 - (a) Permitted [Broker 1] to direct the course of mortgage applications, including taking instructions from [Broker 1] to input information on mortgage applications including employment, income, and other personal information of the borrowers provided by [Broker 1];
 - (b) Accepted borrowers’ personal, employment, financial information, and supporting documents as provided by [Broker 1] without contacting borrowers to verify, or otherwise verifying, the accuracy or authenticity of the documents and information provided;
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- (c) Submitted, or permitted to be submitted, borrowers' personal, employment, financial information, and supporting documents as provided by [Broker 1] to lenders in support of mortgage applications;
- (d) Paid, or permitted [Broker 1] or [Brokerage 1] to be paid, amounts in excess of \$1,000 during any one year for arranging mortgages; and
- (e) Some or all of the above activities were carried out for one or more of at least five borrowers and their respective mortgage applications.

B. ORDERS AND PENALTY

Pursuant to sections 4, 6(9), and 8(1.2) of the MBA, Ms. Coelho hereby consents to, and the Registrar hereby makes, the following orders:

1. Ms. Coelho (currently unregistered since July 10, 2020) is not eligible to apply and agrees to not apply for registration under the MBA as either a mortgage broker or a submortgage broker, and the Registrar will not accept an application for registration by Ms. Coelho under the MBA, for a six (6) month period commencing the date of this order.
2. Ms. Coelho will pay an administrative penalty in the amount of \$10,000.
3. Ms. Coelho (currently unregistered) is not eligible to re-apply for registration as a mortgage broker or submortgage broker (as set out above in paragraph B.1) unless or until she pays the administrative penalty in paragraph B2.
4. Upon renewal of Ms. Coelho's license, Ms. Coelho must, for a period of twelve (12) months ("Supervision Period"), be under the direct supervision of the Designated Individual ("DI") or a registered submortgage broker appointed by the DI of the brokerage to which Ms. Coelho is registered as a submortgage broker to be her supervisor, and who is satisfactory to the Registrar.
5. For the Supervision Period, the DI or supervisor must review and sign-off on all mortgage transactions that Ms. Coelho is directly or indirectly involved with.
6. All amounts are immediately due and payable, and all payments must be made by cheque, bank draft or money order payable to the BC Financial Services Authority. This order may be filed with the court pursuant to the MBA, and steps to enforce this order may be taken if payment is not made in full within 30 calendar days.

C. AGREED FACTS

As a basis for this Consent Order, Ms. Coelho acknowledges the following facts as correct and makes the following admissions:

1. [Broker 1] was initially registered as a submortgage broker on October 5, 2004.
2. [Brokerage 1] was registered as a mortgage broker on December 20, 2010.
3. On October 27, 2011, [Broker 1] became the DI for [Brokerage 1].

4. On October 4, 2016, [Broker 1]'s registration expired.
5. On December 19, 2016 [Brokerage 1]'s registration expired.
6. Ms. Coelho was initially registered as a submortgage broker on November 24, 2010.
7. From November 2, 2012 until November 23, 2016, Ms. Coelho was registered as a submortgage broker with [Brokerage 1].
8. From March 28, 2017 until November 28, 2017, Ms. Coelho was registered as a submortgage broker with [Brokerage 2] ("[Brokerage 2]").
9. In or around July 2017, Ms. Coelho began facilitating mortgages for [Broker 1] including taking instructions from [Broker 1] and allowing him to direct the course of five mortgage applications.
10. On December 22, 2017, the Registrar issued a Cease and Desist Order (the "Order") against [Broker 1] and [Brokerage 1], which Order stated that [Broker 1] was holding himself out and carrying on business as a mortgage broker or submortgage broker even though he was not registered to do so.
11. Between December 22, 2017 and July 9, 2020, Ms. Coelho was registered as a submortgage broker with [Brokerage 3].
12. On January 15, 2018, the Registrar published an Industry Alert to all registered mortgage brokers and submortgage brokers advising them of the Order.
13. Ms. Coelho received and read the Order and Industry Alert.
14. When Ms. Coelho initially began facilitating mortgages for [Broker 1] in 2017, she was not aware that he was no longer registered as a submortgage broker.
15. [Broker 1] had direct contact with each of the borrowers and provided Ms. Coelho with the borrowers' financial information and personal documentation which she did not verify for its the accuracy or its authenticity and thereafter, she submitted that information to lenders in support of the borrowers' mortgage applications.
16. Ms. Coelho's only contact with each of the borrowers was during a one-time meeting in which they executed requisite closing documents (e.g. Form 10 – Conflict of Interest Disclosure Statement; Cost of Credit Disclosure). Ms. Coelho did not, at any time during those meetings, verify or otherwise discuss with the borrower the accuracy of any of the documents previously provided to her by [Broker 1].
17. Ms. Coelho paid [Broker 1] a referral fee between \$700 and \$1000 for each of the mortgages she facilitated.
18. Ms. Coelho received approximately \$15,000 in commissions for the mortgages she facilitated for [Broker 1].

19. Ms. Coelho has no prior history of discipline with the Registrar.

20. Ms. Coelho has been unregistered since July 9, 2020. The Registrar has taken this into account as well Ms. Coelho's remorse, accountability for her misconduct, and cooperation with Staff throughout this matter. Without these mitigating factors, Ms. Coelho would have been assessed an ineligibility period of twenty-four (24) months from the date of this Order.

D. WAIVER

Ms. Coelho waives her right to a hearing under section 8(1) of the MBA and waives her right to appeal under section 9 of the MBA.

Approved as to form and content by:

"DULCE M. COELHO-FEDORIW"

_____ this 21st day of November, 2022.

DULCE MARIA COELHO-FEDORIW

"LAURA FORSEILLE"

_____ this 24th day of November, 2022.

Laura Forseille
Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 24th day of November, 2022, at Victoria, British Columbia.

"JONATHAN VANDALL"

Jonathan Vandall, Acting Registrar of Mortgage Brokers
Province of British Columbia