

Implementing the *Mortgage Services Act:* The Road Ahead

For B.C. Mortgage Brokers

September 10, 2025

BCFSA BC Financial
Services Authority

Classification: Protected A



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(Squamish Nation)
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Agenda

1. Introduction | Kayla Hepworth
2. Setting the Stage for the New MSA | Jon Vandall
3. About the MSA | Jessica Finerty
4. Overview of the Legislative Framework | Jessica Finerty
5. Implementation Plan Overview | Kate Bilney
6. MSA Transition Education | Caroline Allen
7. FAQs | Jessica Finerty
8. Support and Resources | Kayla Hepworth

Speakers

Tolga Yalkin
CEO &
Chief Statutory Officer

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Manager,
Communications

Jessica Finerty
Director, Regulatory
Transformation

Caroline Allen
Director,
Education & Practice
Standards

Setting the Stage for the new MSA

Setting the Stage for the New MSA

THE BEGINNING OF A MAJOR TRANSITION



Major Regulatory
Update



Modernization of
Mortgage Regulation



Enhanced Consumer
Protection and
Oversight



Response to Key
Recommendations



Collaborative
Implementation
Approach

Purpose of Today's Session

01



Mortgage Services Act Overview

- Drivers of regulatory change
- Summary of key changes

02



Implementation Pathway

- Information and resources
- Key milestones

03



Transition Education for Mortgage Brokers and Internal Training

- BCFSA Internal Team Training
- Principal Broker Education Pathway
- Mortgage Broker Education Pathway



About the *Mortgage Services Act*

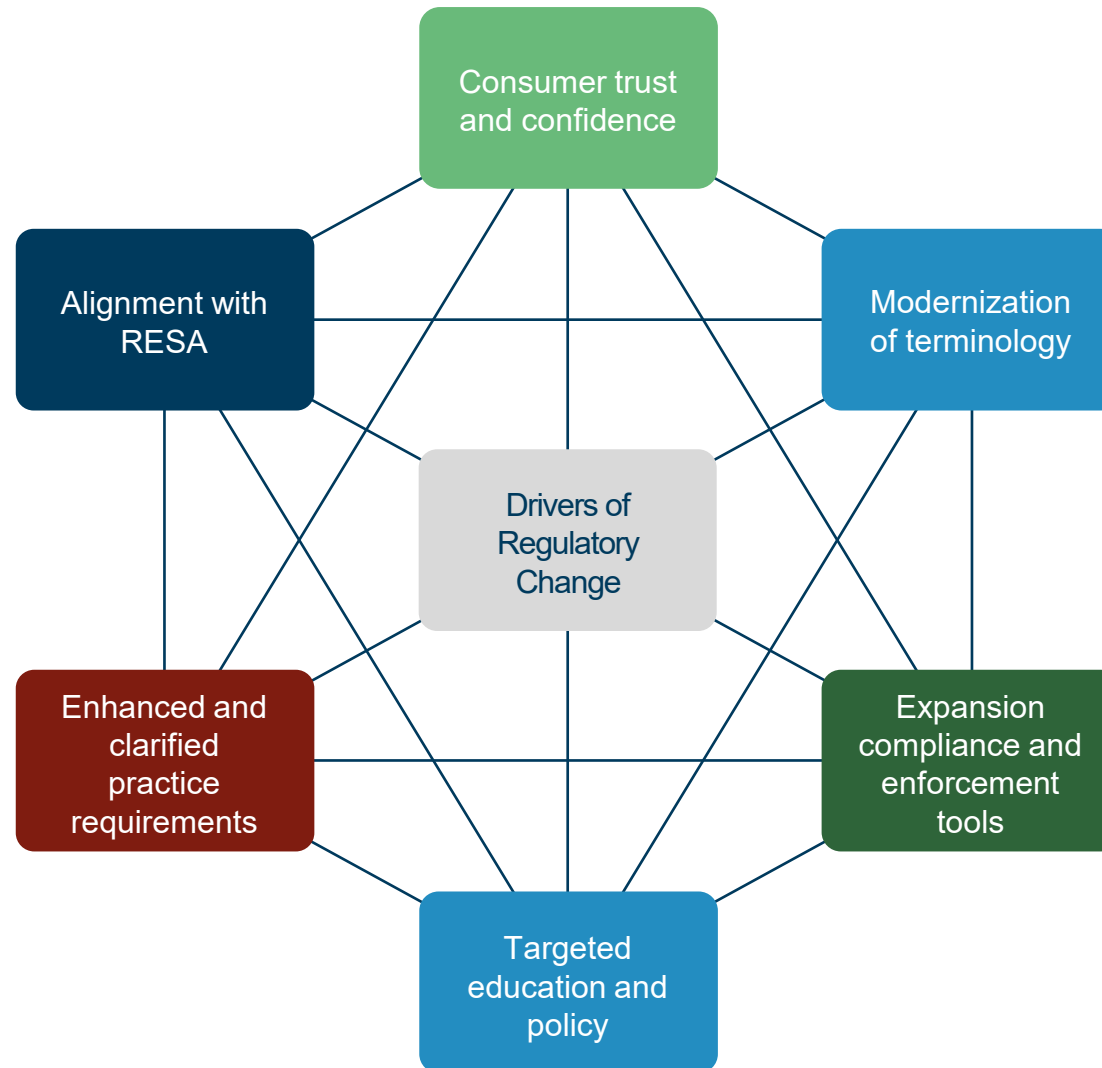
Background

BCFSA's Roles and Responsibilities – *Mortgage Brokers Act / Mortgage Services Act*

- Responsible for the **administration** of the *Mortgage Brokers Act*, and the *Mortgage Services Act* once brought into force.
- Administration and **implementation** of the regulatory framework including:
 - Providing pre-licensing and continuing education
 - Registration and/or licensing for individuals and brokerages
 - Development of industry resources and information
 - Compliance and enforcement
- The Superintendent of Mortgage Services will have rule making authority under the MSA to make or amend rules.

MSA Policy Objectives

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Overview of Legislative Framework

Key Changes



Regulatory Framework and Superintendent Authorities

- Modernization of legislative terms
- Superintendent rule making authority
- Increase in maximum disciplinary penalties and introduction of an administrative penalty framework
- Expanded offences and increase in limitation period

Licensing Framework

- Role of the Principal Broker
- Categories of licensing
- Personal Mortgage Corporations

Brokerage Responsibilities

- E&O Insurance
- Record keeping
- Brokerage governance/policies and procedures
- Trust account authorization
 - Dual Agency

Principal Broker Responsibilities

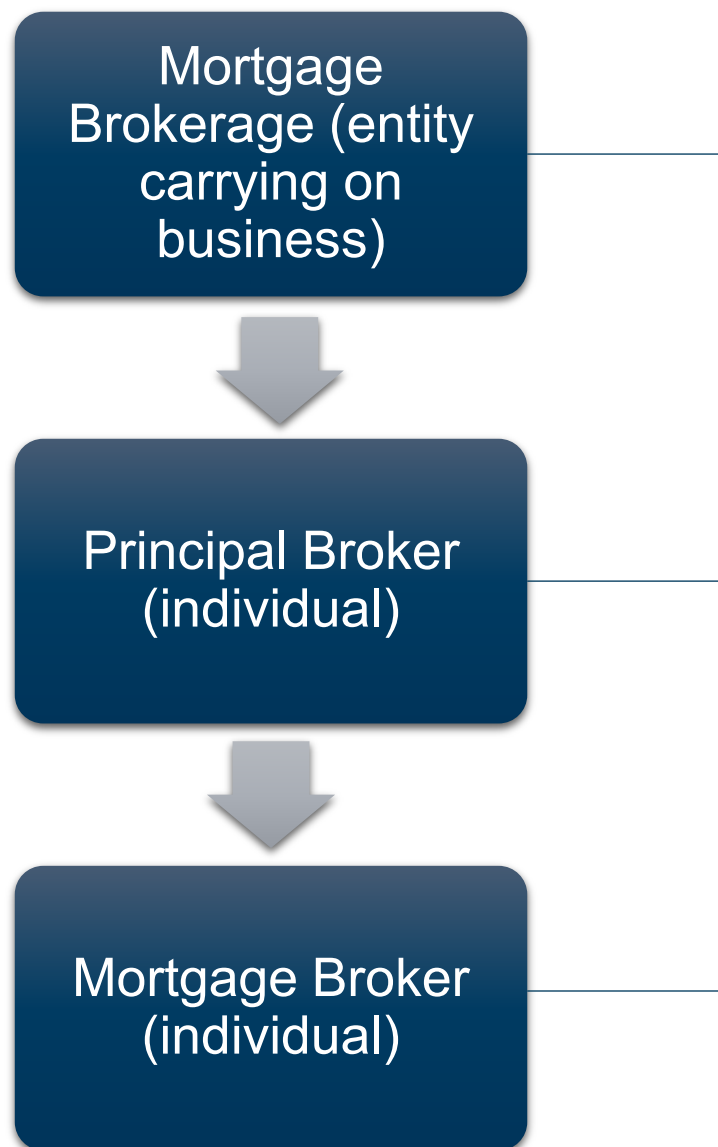
- Manage the brokerage
 - Supervise licensees
- Ensure compliance with legislation and policies
- Communicate with, and report certain conduct to, BCFSAC
 - Maintain trust accounts

Mortgage Broker Responsibilities

- New and enhanced disclosures
 - Duties to clients
- Duties to everyone to act in good faith and with reasonable care and skill
- Report certain conduct to principal broker



New Licence Levels



New Licence Categories

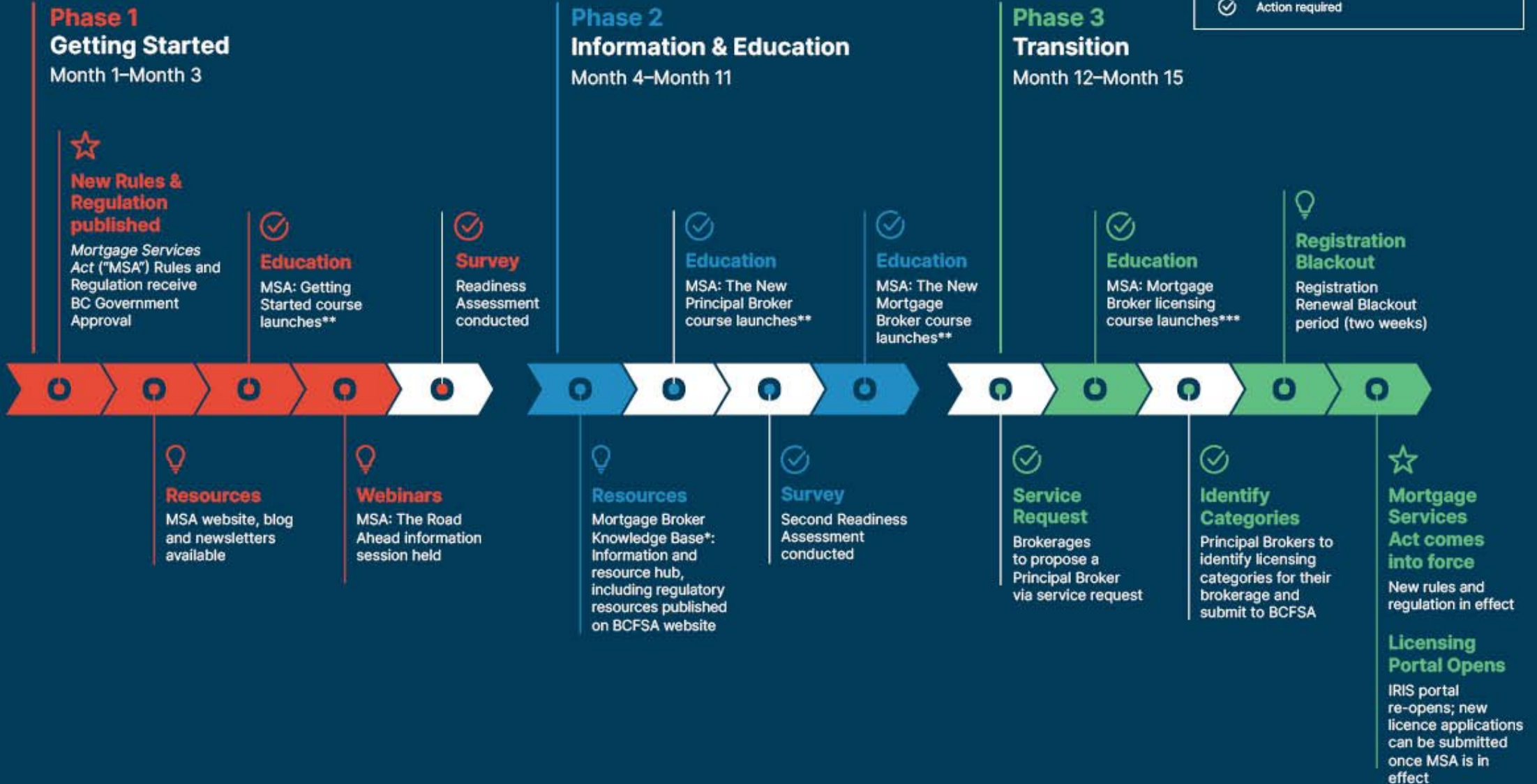
- Dealing in Mortgages
- Trading in Mortgages
- Administering Mortgages
- Mortgage Lending

Future MSA Licensing Framework

MSA License Level and Categories (effective October 13, 2026)

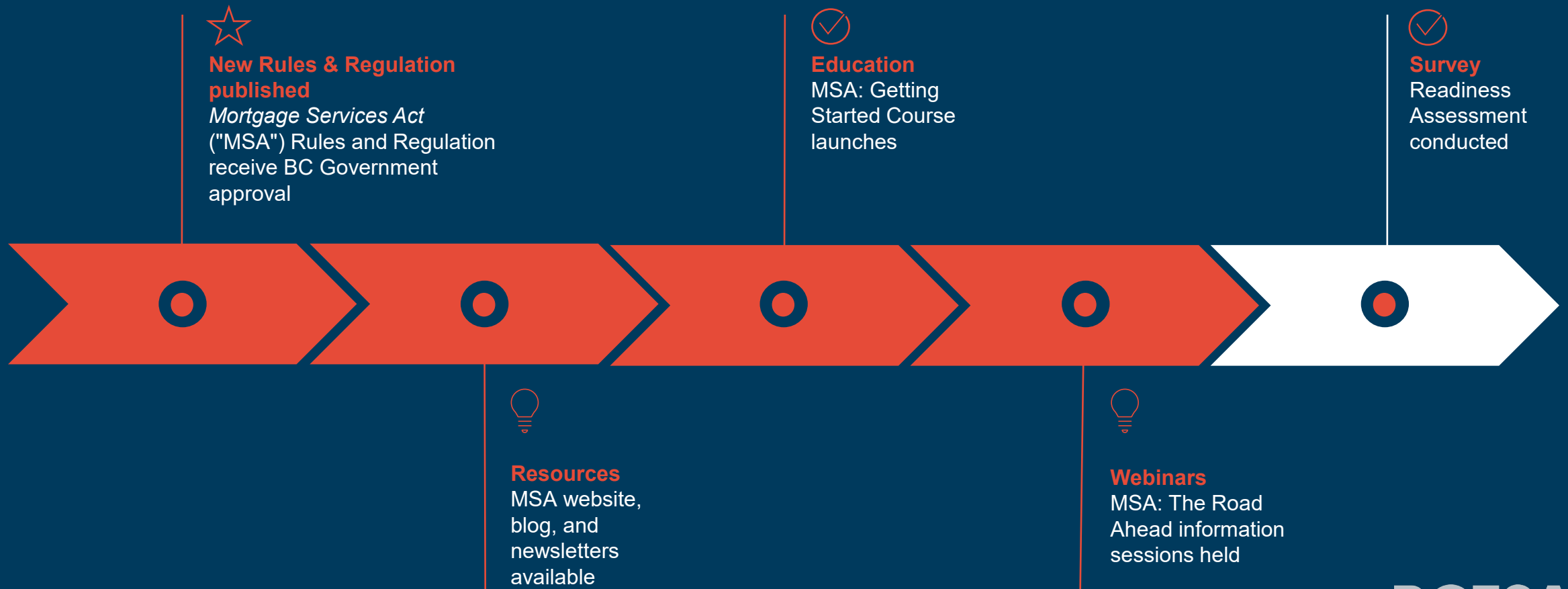
Implementation Plan Overview

The Road Ahead to the Mortgage Services Act



Phase 1: Getting Started

July 2025 – September 2025



Brokerage Readiness Assessments (Designated Individuals Only)

ENHANCING INDUSTRY TRANSITION AND REGULATORY SUPPORT

- Assess readiness for new MSA requirements
- Analyze compliance risks to guide oversight
- Identify gaps to improve brokerage support
- Evaluate impact of BCFSA communications and education



Brokerage Readiness Assessment Information (Designated Individuals Only)

PROCESS

Format: Online survey sent to all DIs

Respondents: Designated Individuals (completion is mandatory)

Timing:

- **First Assessment:** Launches on October 1, 2025, after most mortgage brokers have completed the *MSA: Getting Started* course
- **Second Assessment:** Early 2026
- **Duration:** 20 minutes

Timeline: 2 weeks to complete



Brokerage Readiness Assessment Details

QUESTION CATEGORIES

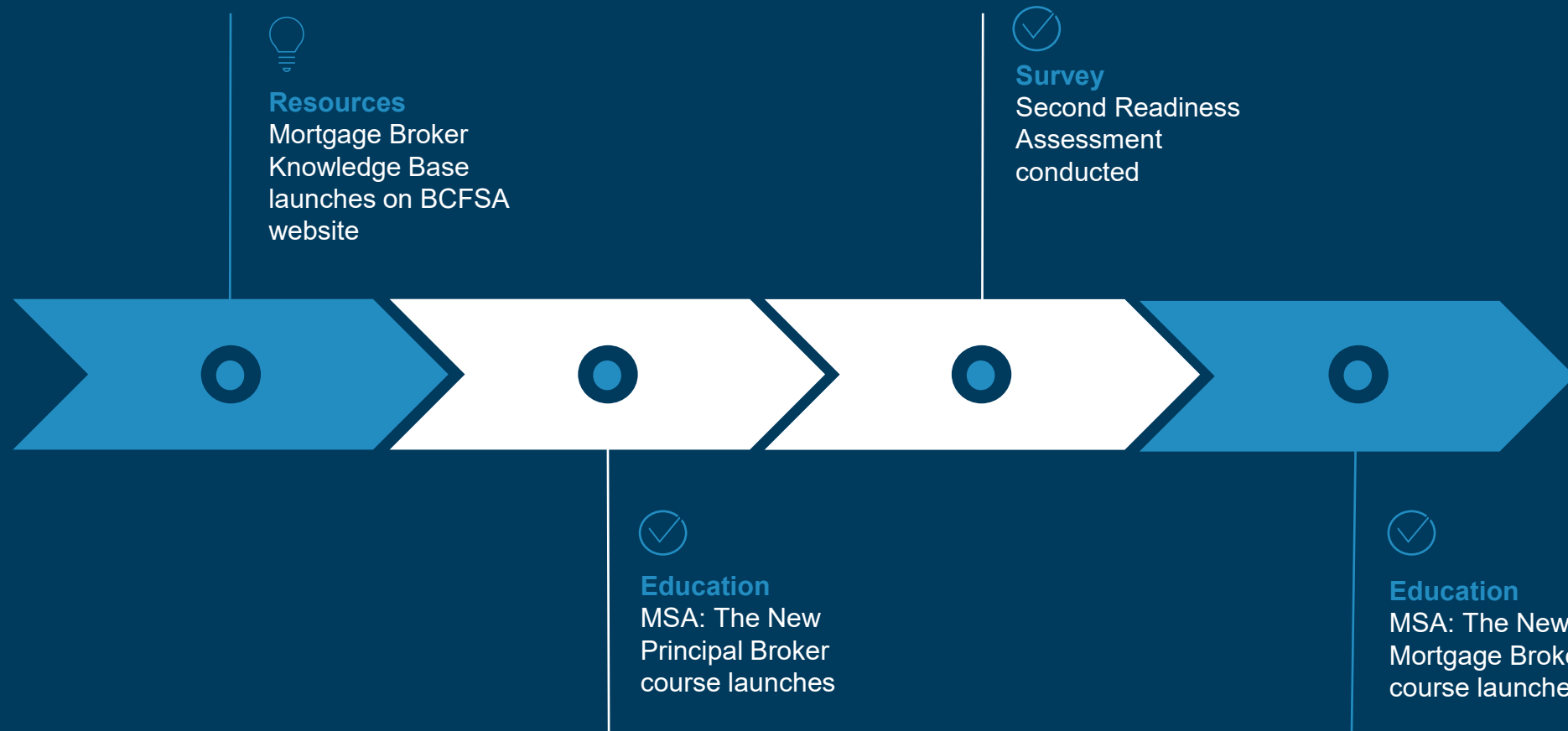
BROKERAGE PROFILE & OPERATIONS	TRAINING & KNOWLEDGE	AWARENESS & UNDERSTANDING	COMPLIANCE & RISK MANAGEMENT	PREPAREDNESS FOR TRANSITION
• Build a clearer picture of brokerage operations (e.g., size, service offerings, and use of personal service corporations). • Support regulatory planning by identifying trends in trust account use.	• Assess DIs' awareness and preparedness for transitional education and access to MSA-related resources. • Understand brokerage-level training plans to support registrants in meeting new MSA requirements effectively.	• Assess understanding of MSA requirements and identify gaps in knowledge, resources and communication. • Evaluate awareness of MSA to inform future engagement and education strategies.	• Assess E&O insurance coverage to Identify gaps in risk protection and compliance readiness. • Identify key barriers to compliance to inform targeted support and oversight.	• Assess brokerage readiness and identify challenges in transitioning to the new regulatory framework (e.g., identifying a principal broker or potentially winding up).

ANALYSIS AND REPORTING

- Summary results will be provided in a final report along with analysis of key findings

Phase 2: Information & Education

October 2025 – July 2026



Mortgage Broker Knowledge Base overview

- Resource hub intended to help licensees understand obligations and navigate the regulatory landscape
- Information and resources within the Knowledge Base
 - Regulatory statements, information and guidelines
 - FAQs
 - Examples and scenarios
 - Robust search functionality
- Expected to launch in early Fall 2025



Regulatory Resources

- Regulatory instruments: statements, information, and guidelines
 - Steady release to begin Fall 2025
 - Release prioritized based on anticipated registrant needs
- Website updates, including FAQs
- Mortgage Broker Bulletin blog
- E-newsletters
 - Principal Broker newsletter (monthly)
 - Mortgage Brokers Update newsletter (bi-monthly)



Regulatory Instruments: Roll Out

**Fall
2025**

Key Focus: Licensure

- Education requirements (transition and new licenses)
- Licensing (transition and new licenses) requirements
- PMCs and E&O insurance

**Winter
2025/26**

Key Focus: Duties

- Duties of licensees, including record-keeping
- Trust accounts
- Teams, winding-up, and unlicensed assistants

**Spring
2026**

Key Focus: Disclosures

- Suite of disclosure requirements
- Labour mobility

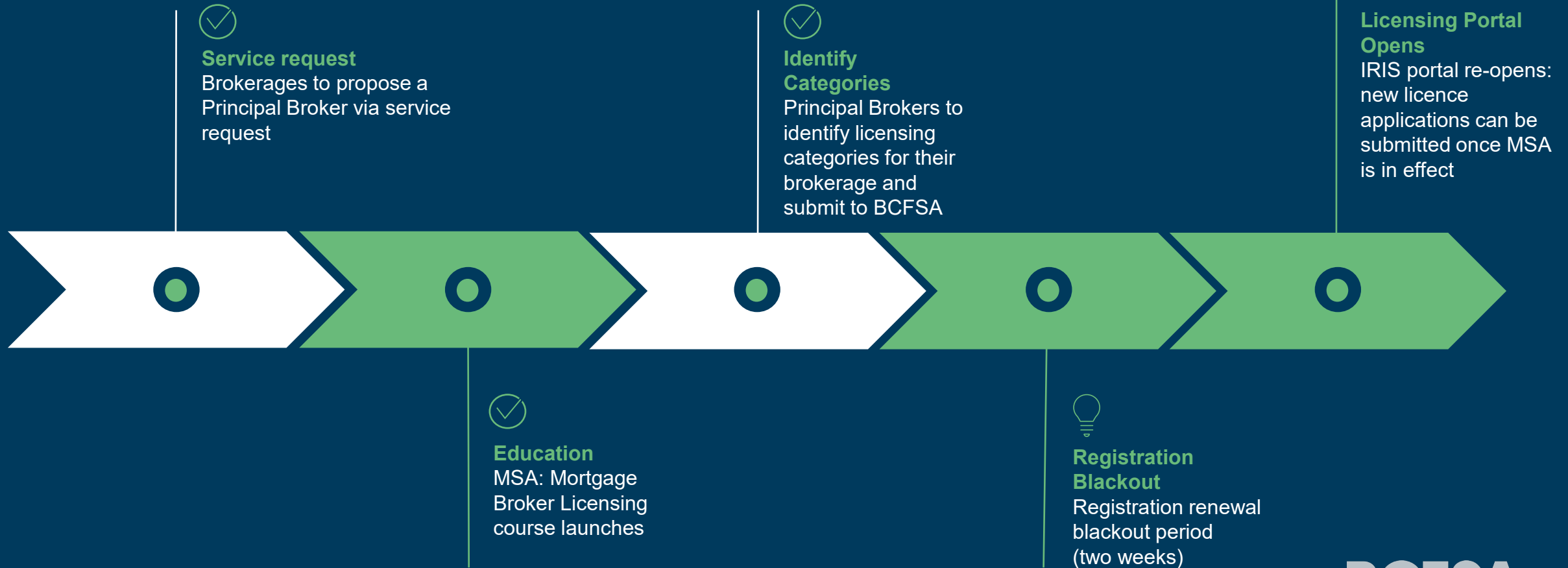
**Summer
2026**

Key Focus: Compliance Essentials

- Reporting requirements
- Administrative penalties
- Privacy, advertising and guidance

Phase 3: Transition

August 2026 - October 2026



MSA Transition Education

For Designated Individuals Becoming Principal Brokers

TRANSITION EDUCATION PATHWAY

MSA: Getting Started Course

- Cost \$25
- Launched Sept 9, 2025
- Mandatory for all registrants
- Online module
- Registration/completion via UBC

MSA: The New Principal Broker (Part 2)

- Cost \$50
- Launch late Spring 2026
- 2 x Online modules
- Registration/completion via UBC

MSA: The New Principal Broker (Part 1)

- Cost \$100
- Launch Fall 2025
- For Designated individuals becoming Principal Brokers
- 3 x Online modules + optional virtual classroom (webinar)
- Registration via BCFSA with online through UBC

For Mortgage Brokers

TRANSITION EDUCATION PATHWAY

MSA: Getting Started Course

- Cost \$25
- Launched Sep 9, 2025
- Mandatory for all registrants
- Online module
- Registration/completion via UBC



MSA: The New Mortgage Broker

- Cost \$150
- Launches late Spring 2026
- 5 x Online modules
- Registration/completion via UBC

MSA Transition Education Topics

MSA: GETTING STARTED COURSE	MODULE 1: LICENSING LEVELS & SERVICE CATEGORIES	MODULE 2: BROKERAGE REQUIREMENTS & RESPONSIBILITIES	MODULE 3: PRINCIPAL BROKER REQUIREMENTS & RESPONSIBILITIES	MODULE 4: RELATIONSHIPS WITH CLIENTS	MODULE 5: DISCIPLINE & ENFORCEMENT
• Overview of MSA • Mortgage Service Categories • Licensing structure • Roles and Responsibilities • Compliance and Enforcement • Regulatory Framework	• Licence levels and service categories • Licensing requirements • PMCs • Teams	• Overview of brokerage licensing • Brokerage structure/staffing models • Principal broker and mortgage broker roles • E&O insurance • Business practices and policies • Record keeping and audit • Training and supervision requirements • Trust accounts and financial compliance	• Key responsibilities of a Principal Broker • Trust account management • Record keeping requirements • Policies and procedures	• Duty to act in good faith • Scope of authority • Disclosures • Product suitability • Restriction on dual agency	• Conduct, complaints and investigations – licensed and unlicensed • Discipline proceedings • Administrative penalties • Offences and other matters

FAQs

Q: What do I need to do to get ready for the transition to the MSA?

A: You must complete certain activities before the MSA takes effect on October 13, 2026.

Transition education courses will be required, with **different paths** for principal brokers and mortgage brokers.

BCFSA will regularly update its website and email registrants with key info about the transition to the MSA.

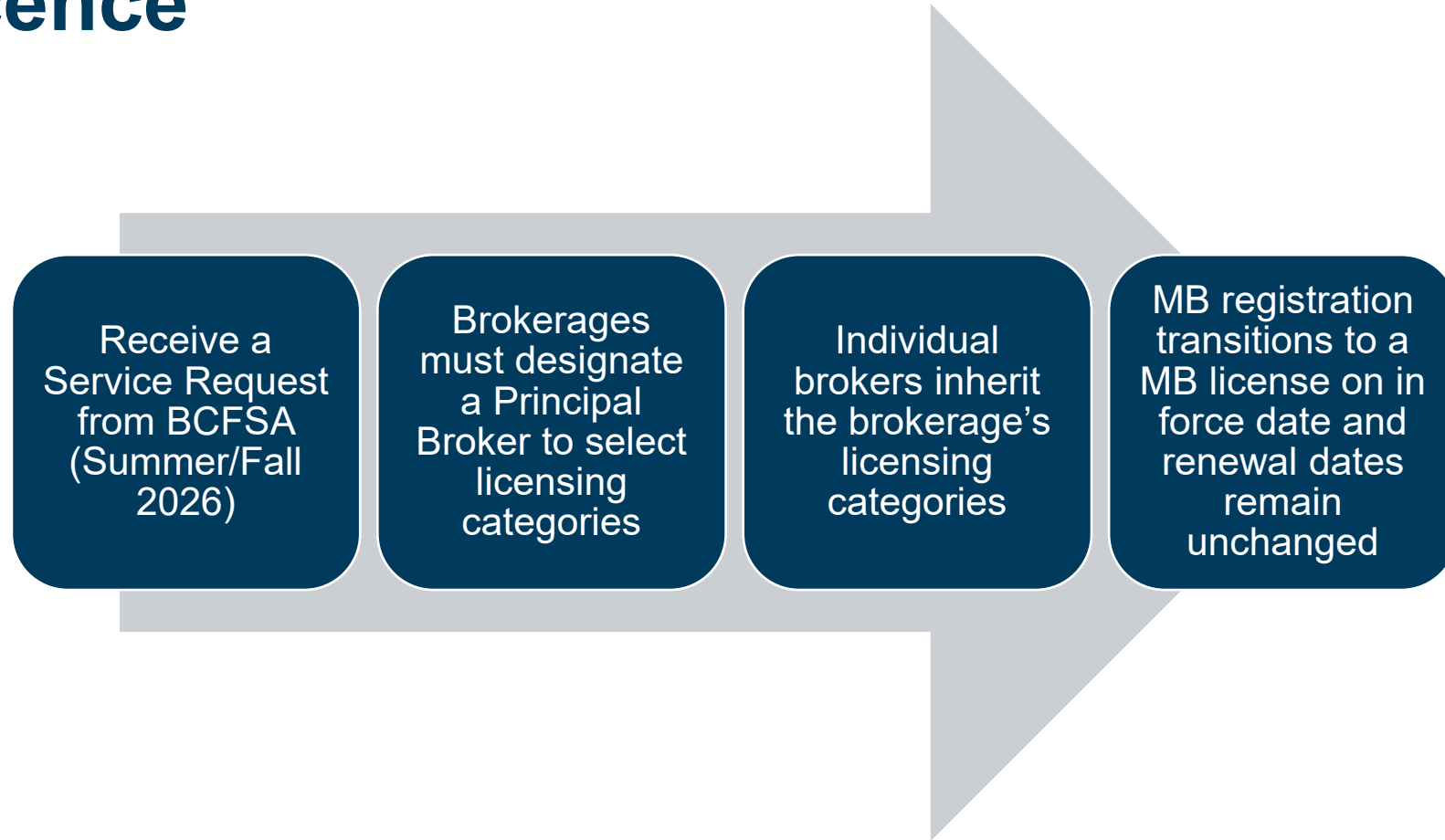
Make sure your IRIS contact details are current.

A new Mortgage Broker Knowledge Base will launch soon, offering tools and guidance to support you.

More details will be shared throughout the transition.

Q: How do I transition from my current registration to the new licensing categories?

A: Transitioning from MBA Registration to MSA Licence



No fees will be charged for the transition from a registration to a licence; new fees will apply for new licence applications, licence renewals and for establishing a personal mortgage corporation.

Q: Can I be licensed in more than one category (e.g., dealing and administering)?

A: Yes, under the new *Mortgage Services Act*, a mortgage broker can be licensed in more than one category, such as dealing, trading, administering, and lending as long as their brokerage is licensed in those categories.

The categories define the types of mortgage services a licensee can provide, and brokers inherit the categories selected by their approved Principal Broker during the transition. So, while multiple category licensing is allowed, it's dependent on the brokerage's licensing choices.

Q: Do I need a separate licence if I'm a mortgage broker getting paid through a corporation?

A: Yes, if you're a licensed mortgage broker or principal broker getting paid through a corporation, that corporation must also be licensed.

You will need two licences: one for yourself and one for the corporation, called a Personal Mortgage Corporation (PMC).

Key requirements for PMCs can be found under Part 6 of the Mortgage Services Regulation. There are also requirements regarding PMCs in the Rules under the MSA.

BCFSA strongly recommends that before you take steps to incorporate and licence a PMC, you obtain professional accounting and legal advice to make sure that a PMC is the right choice for you.

More guidance on this topic will be available in Fall 2025.

Support and Resources

Support and Resources

REACH OUT WITH YOUR QUESTIONS – WE'RE HERE TO HELP

- BCFSA is prepared to respond to incoming enquiries from the mortgage broker industry.
- We are committed to supporting registrants with clear, timely, and practical guidance.
- Todd Healey, Practice Standards Adviser, is prepared to assist with your questions.
- All questions can be sent directly:
 - By email to: MSA@BCFSA.ca
 - By phone to the new BCFSA Service Centre: (604) 660-3555

Knowledge Base (to launch in early Fall): Information and resource hub.



Thank You