

# BCFSA Technical Working Group on the Mortgage Services Act Implementation

## Terms of Reference

### Contact Information:

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## 1. Introduction

- 1.1. BC Financial Services Authority (“BCFSA”) is seeking input from external stakeholders to support the implementation of the *Mortgage Services Act* (the “MSA”). To obtain this input, BCFSA is establishing a Technical Working Group (“TWG”) of industry experts to review and provide feedback on the process for the transition to the MSA. The TWG outputs will support BCFSA to identify change impacts and adjust the transition approach to the MSA as needed.
- 1.2. BCFSA is a Crown agency responsible for the supervision and regulation of the financial services sector. As a modern, effective, and efficient regulator, we promote high standards within the sector we regulate and provide information and guidance to enable industry participants to comply with legislative requirements and best practices.
- 1.3. BCFSA is committed to an open, transparent, and collaborative approach. The TWG will be an important part of BCFSA’s mortgage broker segment engagement process. BCFSA Technical Working Groups bring together expert stakeholders and industry participants for a defined term to achieve specific goals related to policy or regulatory initiatives.
- 1.4. These Terms of Reference set out the role, membership criteria and operations of the TWG.

## 2. Background

- 2.1 The MSA is a Ministry of Finance initiative and will provide greater consumer protection by establishing a licensing framework, by setting standards of conduct, and by supporting a range of progressive enforcement measures to address misconduct. The

Ministry is responsible for policy and development of supporting regulations and rules which build out the regulatory framework for the MSA.

- 2.2 BCFSa is responsible for implementing the MSA to support the modernization of the regulatory framework for the mortgage broker segment. The TWG is focused on providing feedback on implementation and BCFSa's approach to transition industry from the *Mortgage Brokers Act* ("MBA") to the new regulatory framework under the MSA. Feedback on the MSA, regulations, and rules is not within scope of the TWG.

## 3. Role

- 3.1 The TWG is an ad-hoc committee composed of external subject matter experts and industry participants who are invited by BCFSa to provide perspectives on the transition approach to implement the MSA and to identify potential issues, risks or unintended consequences.
- 3.2 The TWG will provide industry perspectives on the proposed transition approach to implement the MSA ("the MSA Transition Plan").

The TWG's activities will include:

- Providing expert knowledge and practical experience to inform the MSA Transition Plan;
- Reviewing and providing feedback on the MSA Transition Plan, including the transition from the current registration framework to the new licensing framework, and education requirements;
- Considering the implications of approaches being explored and identify any opportunities to address or mitigate risks;
- Providing advice to support change management to ensure that changes are communicated with registrants/licensees in an appropriate and timely manner;
- Reviewing and providing feedback on industry guidelines and information as required;
- Reviewing the process and materials related to the execution and implementation of a project; and
- Identifying opportunities to engage industry members to support a successful transition.

All members of the TWG are required to:

- Participate in good faith and in a respectful manner; and
- Sign and comply with a non-disclosure agreement and a participation agreement that limits disclosure and sharing of information.

- 3.3 The TWG's role is advisory in nature. BCFSA will consider its input in the development of policy and regulatory instruments. Advice or recommendations of the TWG's input may or may not result in action or policy change.

## 4. Membership

- 4.1 BCFSA will extend invitations to the senior leader of mortgage broker industry associations, inviting them to put forward nominations for themselves or another member of their organization, and an industry member of their board using an online application process. BCFSA has the sole authority to determine TWG membership.
- 4.2 The TWG will consist of individuals who meet the following criteria:
- Confirmation of willingness and ability to review meeting materials and to participate in working groups meetings for the duration of the implementation of the MSA Transition Plan;
  - Demonstrated knowledge of the mortgage broker segment and the framework for mortgage broker regulation in British Columbia;
  - Ability to represent the broader views and perspectives of mortgage broker industry participants and to address the potential impacts of regulatory changes for the industry;
  - Experience working in partnership with government or government agencies to support the implementation of transformational change initiatives.
- 4.3 Participating Individuals and/or organizations are to be determined.
- 4.4 The TWG members are appointed for a term commencing January 2024 and ending at the discretion of BCFSA.
- 4.5 No financial remuneration is allocated for members of the TWG. BCFSA appreciates that TWG members' organizations will provide their staff pro bono to take part in the TWG.
- 4.6 BCFSA can choose to add or remove any member of the TWG at any time, and a member may resign by giving written notice.

## 5. Operations

### 5.1 Chair

BCFSA's Director, Strategic Regulatory Operations, or their delegate, will chair the TWG. The Chair may invite representatives from other organizations or government agencies as observers at meetings, with prior notification to TWG members. With the Chair's permission, BCFSA staff or external parties may participate in the TWG or may attend meetings as needed based on issues discussed, with prior notification to TWG members.

### 5.2 Meetings

TWG members are expected to participate in, at minimum, the following meetings:

- An introductory meeting and discussion in January 2024; and
- Follow-up meetings to be determined ending following the implementation of the MSA. It is anticipated that TWG meetings will be held on a monthly basis and will be approximately 2 hours in duration.

Meetings will be held via Zoom or Microsoft Teams, or in-person.

BCFSA will provide meeting agendas and related materials in advance of each meeting.

### 5.3 Transparency

BCFSA may publish the Terms of Reference for the TWG and the list of TWG members on its website.

### 5.4 Amendments to Terms of Reference

BCFSA may amend the Terms of Reference from time to time.

### 5.5 Conflicts of Interest

TWG members will disclose in writing any actual or potential conflicts of interest in writing to BCFSA upon becoming a TWG member and promptly after any such conflict arises. A conflict of interest includes situations in which personal, occupational, or financial considerations may affect or appear to affect the objectivity of the TWG member's contributions to the TWG.

## 6. Privacy and Confidentiality

- 6.1 Meetings may be recorded, and personal information may be collected under section 26(c) of the *Freedom of Information and Protection of Privacy Act* and will be used for review and reference. If you have any questions or concerns regarding the collection of personal information, please contact BCFSA's Privacy Officer at [foi@bcfsa.ca](mailto:foi@bcfsa.ca).
- 6.2 TWG members who receive information and records from BCFSA during their participation in the working group must keep such information and records confidential in accordance with the terms of the Participation Agreement between the member and the BCFSA.