

**Mortgage Associates Ontario Inc.
Brokerage #12340
POLICIES & PROCEDURES**



Making Mortgages Make Sense

MUST READ FIRST:

Enclosed, is the policies and procedures manual for Mortgage Associates Ontario Inc., Brokerage #12340. As a licenced mortgage agent or mortgage broker of Mortgage Associates Ontario Inc., you are governed by the Financial Service's Commission of Ontario's rules and regulations, The Mortgage Brokerages, Lenders and Administrator's Act, 2006, Ontario Regulation 188/08, Ontario Regulation 191/08, and all present and future rules and regulations, pertaining to mortgage brokering in the province of Ontario, and Mortgage Associates Ontario Inc's policies and procedures, may be subject to change without notice.

For any questions, or clarity of any regulation, or policy and procedure, please contact your principal broker.

CORPORATE HEAD OFFICE

20 Harrison Garden Blvd
Toronto, ON, M2N 7K9
Office: 1(866)930-1660
Fax: 1(866) 930-1770

Preface

While licensed with Mortgage Associates Ontario Inc. every broker and agent must comply with the requirements under the Mortgage Brokerages, Lenders and Administrators Act (“MBLAA”) [o. Reg. 188/08, s. 40 (1)] and with the Policies and Procedures described within this Policy and Procedure Manual. Link to MBLAA http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_06m29_e.htm

Privacy Policy

At Mortgage Associates Ontario Inc (herein after referred to as “MORTGAGE ASSOCIATES ONTARIO INC”), we are committed to protecting the privacy and confidentiality of the personal information of our clients (individually, the “Client” and collectively, the “Clients”.) As financial service providers, we have a professional obligation to maintain in confidence information we receive within our role as a financial services provider. The purpose of this Privacy Policy is to advise clients as to why we ask for personal information, how we use it, what safeguards we employ, and how to contact us with privacy-related matters.

What Is Personal Information?

In this Privacy Policy, “Personal Information” means information that is gathered in connection with an application, pre-approval, request for information for a mortgage(s) or loan(s) and insurance or other product through MORTGAGE ASSOCIATES ONTARIO INC or MORTGAGE ASSOCIATES ONTARIO INC affiliates and is provided to, or collected by, MORTGAGE ASSOCIATES ONTARIO INC and its staff or by MORTGAGE ASSOCIATES ONTARIO INC’s agents, associates, and affiliates on MORTGAGE ASSOCIATES ONTARIO INC’s behalf (collectively, “MORTGAGE ASSOCIATES ONTARIO INC”).

Why MORTGAGE ASSOCIATES ONTARIO INC Collects Personal Information

MORTGAGE ASSOCIATES ONTARIO INC collects and uses Personal Information for the following purposes:

- Provide mortgage brokering services to the Client and offer products and services best suited to their needs, including arranging and/or renewing loan(s)/mortgage(s), informing the client of group creditor insurance and other products offered or approved by MORTGAGE ASSOCIATES ONTARIO INC or its affiliates that may be of interest to the Client;
- Checking Client credit worthiness through credit bureau inquiry and personal information agents who have information on a Client’s financial position.

- Advising Clients of the financial options, as well as, ongoing developments of the mortgage market and industry;
- Auditing the services provided to our Clients;
- Compliance with all municipal, provincial, federal and other applicable laws; and
- Such other specific purposes which are communicated to the Client by a member of MORTGAGE ASSOCIATES ONTARIO INC before collection of such Personal Information

Except when otherwise permitted by law, we will only use a Client's Personal Information for the purposes identified to the Client. When Personal Information is to be used for a purpose not identified, we will take all reasonable steps to ensure that new purpose is identified prior to use.

How Do We Collect Personal Information?

The Client is our main source of information. With the Client's consent, we may also obtain information directly from a third party to help us determine eligibility for various financial products and services. For credit matters, for example, it is essential that we know the clients' financial worth as well as the clients' credit record. We will also contact other lenders, financial institutions, credit bureaus and employers. Consent is therefore important because without it, we will not be able to carry out the appropriate inquiries and it might be difficult for us to offer the credit product requested. In most cases, consent is given on the forms used for specific products or, from time to time, on a separate form. The declaration of consent is clear and unambiguous.

Consent

A clients' provision of Personal Information to MORTGAGE ASSOCIATES ONTARIO INC means that they agree and consent that MORTGAGE ASSOCIATES ONTARIO INC can collect, use and disclose such Personal Information in compliance with this Privacy Policy. MORTGAGE ASSOCIATES ONTARIO INC will not collect, use or disclose a Client's Personal Information without the Client's requisite consent, except in certain extraordinary circumstances. Such extraordinary circumstances shall include without limitation, when legal, medical, or security reasons make it impossible or impractical to obtain consent or where it is otherwise in the best interests of the Client.

The most common method we use to obtain a Client's consent is by way of the Client's consent as confirmed by the application or Client Agreement. Where practicable, we may also obtain a Client's consent through oral communications or other written documentation.

Our Clients may withdraw their consent by written notice to us at any time, subject to any legal or contractual restrictions and reasonable notice. A Client's refusal to provide, or subsequent withdrawal of, his or her consent may affect MORTGAGE ASSOCIATES ONTARIO INC's ability to provide the Client with mortgage services. A member of MORTGAGE ASSOCIATES ONTARIO INC will inform the Client of the implications of such withdrawal. To withdraw consent, a Client should contact the Chief Privacy Officer in writing at:

Attn: Mortgage Associates Ontario Inc.
20 Harrison Garden Blvd, Toronto ON, M2N 7K9

Use and Disclosure of Personal Information

We will use a Client's Personal Information to provide financial advice and services to the Client, to administer our database, to include Clients in direct marketing Activities and for the other uses described above under the heading "Why MORTGAGE ASSOCIATES ONTARIO INC Collects Personal Information". Under certain circumstances, MORTGAGE ASSOCIATES ONTARIO INC will disclose a Client's personal information to third parties. Specifically, Personal Information may be used, shared and disclosed to, from, or with, the members of MORTGAGE ASSOCIATES ONTARIO INC, witnesses in a litigation proceeding, experts retained on a Client's behalf, private investigators, agents retained on behalf of a Client, credit reporting agencies, credit bureaus, as well as such other third parties as are necessary to facilitate the matter for which the Client has retained our office and provided its consent.

Under certain circumstances MORTGAGE ASSOCIATES ONTARIO INC may disclose Personal Information where:

- required or authorized by law to do so, for example if a court issues a subpoena;
- a Client has consented to the disclosure;
- when mortgage services by MORTGAGE ASSOCIATES ONTARIO INC are provided to a Client requiring us to give Personal Information about a Client to a third party (for example, to a lender in a real estate mortgage transaction) the Client's consent will be implied, unless the Client tells us otherwise;
- where it is necessary to pull a credit bureau for purposes of processing a mortgage transaction;
- if MORTGAGE ASSOCIATES ONTARIO INC engages a third party to provide administrative or support services to us (such as computer back-up services, shredding or archival file storage) and the third party is bound by our Privacy Policy;
- protection of MORTGAGE ASSOCIATES ONTARIO INC's best interests;
- protection of public interests such as the denouncement of criminal Activity such

as fraud or money laundering. In all such cases, authorities are contacted and personal information may be disclosed;

- if we retain a law firm(s) to Act on our behalf for any reason; or
- if the information is already publicly known.

Limiting collection and retention of Personal Information

MORTGAGE ASSOCIATES ONTARIO INC limits the collection of a Client's Personal Information to that which is necessary for the purposes identified in this Privacy Policy as same may be amended from time to time, or for any additional purpose identified to the Client before the collection of the Personal Information. As well, Personal Information is not used or disclosed for purposes other than those for which it was originally collected, except with the consent of the Client or as otherwise permitted by law.

MORTGAGE ASSOCIATES ONTARIO INC will retain Personal Information only for so long as it is needed to fulfill the purposes for which it was obtained and to meet our professional requirements as set out our governing regulatory bodies and/or any other legal requirement, statutory or otherwise, from time to time.

Accuracy

MORTGAGE ASSOCIATES ONTARIO INC strives to ensure that a Client's Personal Information is as accurate, complete, and up-to-date as is necessary for the purposes for which it is used.

Safeguards

MORTGAGE ASSOCIATES ONTARIO INC endeavours to maintain adequate safeguards to protect against loss, theft, unauthorized access, disclosure, copying, use or modification of Clients' Personal Information in the care of MORTGAGE ASSOCIATES ONTARIO INC. MORTGAGE ASSOCIATES ONTARIO INC uses various methods to safeguard personal information, including physical security, computer and electronic security, destruction of information no longer needed, and contractual protections with third party data processors.

Protection

Client lists are never passed on to third parties other than affiliated members of MORTGAGE ASSOCIATES ONTARIO INC. When they are hired, our employees and agents must undertake to respect the confidential nature of client information. Only employees and associates who need to view the file as part of their work have access to this information.

Accountability, Openness and Client Access

MORTGAGE ASSOCIATES ONTARIO INC is responsible for the Personal Information under its control and has appointed a Chief Privacy Officer to oversee our efforts to comply in all material respects with applicable privacy legislation and the terms of this Privacy Policy. The Chief Privacy Officer and those designated by the Chief Privacy Officer address and investigate questions or concerns regarding a Client's Personal Information.

MORTGAGE ASSOCIATES ONTARIO INC will provide a Client access to their Personal Information. The Client may correct or amend any inaccuracies in the Client's Personal Information. MORTGAGE ASSOCIATES ONTARIO INC has the right to refuse a request for access to Personal Information if:

- The information is protected by legal privilege;
- Granting access would reveal confidential commercial information;
- The information was collected for purposes related to the detection and prevention of fraud;
- The information was generated in the course of a formal dispute resolution process;
- The information would likely reveal personal information about another individual;
- The request is vexation or frivolous;
- To protect our firm's rights and property.

Changes to Privacy Policy

MORTGAGE ASSOCIATES ONTARIO INC will from time to time review and revisit privacy practices and this Privacy Policy.

MORTGAGE ASSOCIATES ONTARIO INC Web site

Our Web site may contain links to other sites, which are not governed by this Privacy Policy. On our Web site, like most other commercial Web sites, we may monitor traffic patterns, site usage and related site information in order to optimize our web service. We may provide aggregated information to third parties, but these statistics do not include any identifiable personal information.

Communicating With MORTGAGE ASSOCIATES ONTARIO INC

We recognize that convenience and quick access to advice must be balanced with security needs. We use many different means to communicate with clients, some of which are more convenient such as e-mail. Our emails are sent with industry standard 128 bit encryption. Such encryption however does not guarantee privacy and security as encrypted messages can nonetheless be subject to interception and translation. If clients do not wish us to communicate by e-mail, they may speak with the

consultant/broker/agent handling the matter about alternative arrangements.

Email Communication With Clients, Prospective Borrowers & Lenders

All email communication with clients, prospective borrowers, lenders and prospective lenders must be communicated via the brokerage provided email account with the @maobroker.com domain. Mortgage Associates Ontario Inc. does not permit agents to communicate with clients, prospective borrowers, lenders and prospective lenders via personal email accounts such as @gmail.com, @yahoo.com or their personal website/domain email account.

AGENT PROTECTION OF DATA

All agents and brokers will take reasonable steps to protect personal data supplied by clients.

All original documentation will be kept in secure premises not accessible to the public. Once a file is complete, any un-required documentation will be returned to the client immediately.

Original documentation will be submitted to head office in electronic format prior to the closing of the transaction. While agents may retain copies of files, every effort must be made to safeguard the information on hand.

It should be noted that all files are the property of MORTGAGE ASSOCIATES ONTARIO INC. Although brokers and agents may retain data for marketing purposes, MORTGAGE ASSOCIATES ONTARIO INC is ultimately responsible **for all clients**.

Any documentation not further required, must be stored electronically on the agent/broker's computer or safe cloud storage service for a period of 6 years beyond the date of the last interaction with the client pertaining to the mortgage, and must be provided to Mortgage Associates Ontario Inc immediately upon request.

All electronic documentation must be password protected. Laptops containing client files shall not be left unattended in public areas.

HEAD OFFICE PROTECTION OF DATA

Head Office will take reasonable steps to ensure the security of the data of client files. Scanned documentation must be adequately protected and catalogued. All clients records and personnel records will be kept in secured electronic format. All computers at head office will be password protected and data will be backed up on a regular basis by a third-party source.

ADVERTISING

All advertising will be in compliance with the standards of practice, as outlined in the Mortgage Brokerages Lenders and Administrators Act.

All advertising must be approved by the principal broker or designate before final orders are placed. This includes the ordering of business cards, printed material, websites, media advertising, flyers, brochures, and all other marketing materials. You must obtain written approval from the principal broker or designate prior to the publishing, printing, and distribution of any public relations material.

The President and/or principal broker will approve the draft ad, and must also approve the final artwork or content before the order is finalized.

Business cards:

Subject to guidelines established by FSCO, the name MORTGAGE ASSOCIATES ONTARIO INC will be prominent on all business cards. The brokerage license number will appear under the company name. The broker's or agent's name will appear with the title broker (or mortgage broker) or agent (or mortgage agent) depending on their licensing qualifications. No other titles will be permitted on business cards. (Degrees such as BA or MA, or designations such as AMP or CPMB are acceptable directly after the person's name. However slogans related to the designation, such as Accredited Mortgage Professional or Certified Professional Mortgage Broker are not permitted.)

Use of names:

On all advertising materials, brokers or agents, where identified, must use their legal names as they are licensed with FSCO, or an alias or known-as name, which has also been licensed with FSCO. No other names are permitted in any advertising materials.

Yellow Pages:

Yellow Pages ads must be approved in advance by head office. In all display advertising, MORTGAGE ASSOCIATES ONTARIO INC and the corresponding license number must be prominent. In addition, the broker's/agent's name and license qualifications (broker or agent) must also be indicated.

In the case of a simple listing, the listing must be in the name of MORTGAGE ASSOCIATES ONTARIO INC. The broker's/agent's name as broker or agent may also appear in the listing, but under no circumstances may the listing be in the broker's/agent's name alone.

If operating a personal Corporation, that corporation must be invisible to the public. Its name cannot be used in any advertising or marketing materials and is there for payroll

purposes only. The broker / agent must represent themselves as a broker or agent of MORTGAGE ASSOCIATES ONTARIO INC at all times.

Websites:

Brokers and agents are permitted to maintain personal websites. Although the URL for the website may belong to the broker or agent; all content on the site shall refer to MORTGAGE ASSOCIATES ONTARIO INC.

All content on the sites must be approved by head office. The homepage must refer to MORTGAGE ASSOCIATES ONTARIO INC and show the license number of the company. All other pages must indicate that the agent or broker is a representative of MORTGAGE ASSOCIATES ONTARIO INC, indicating the licensing designation.

Other forms of advertising:

The content, appearance, and messaging in all other forms of advertising must be consistent with MORTGAGE ASSOCIATES ONTARIO INC's overall advertising philosophy. All advertising must be approved in advance by head office.

FILE HANDLING AND RETENTION

Files in process:

All files that are in process should be maintained in accordance with the privacy policy and protection of data policy. Once complete, the file will be securely forwarded to head office for compliance audit and payment of fees due.

Completed files:

All completed files will be forwarded to head office. Upon receipt of the file, the Chief Compliance Officer or designate will review all documentation to ensure total compliance with MBLAA, 2006. A notation in the file will indicate that the file has been reviewed and complies.

All completed files must include the documents applicable to the transaction as outlined in Mortgage Associates Ontario Inc's Mortgage File Checklist.

Files that are deficient will be returned to the originating agent for rectification. No payment will be made to the broker or agent until the file is complete and satisfies all of the requirements.

File retention:

Completed mortgage files will be retained for a period of six years past the maturity date of the mortgage. All non-mortgage related documentation will be kept on file for a minimum of six years.

Documentation relating to cancelled or incomplete files will be maintained for a minimum of six months. All hard copies will be shredded after that point in time.

COMPLAINTS

The principal broker (or designate) shall Act as the Chief Complaints Officer for the company.

Upon receipt of a complaint from a consumer or an investor, the Complaints Officer (or designate) will take immediate action to investigate.

Should the complaint relate to a completed file, the Complaints Officer will pull existing documentation on file with the company. The Complaints Officer will review the documentation, and then forward the complaint to the specific agent or broker for comment.

Should the complaint relate to a file in progress, the Complaints Officer will immediately contact the agent or broker responsible for the file and forward the complaint for comment.

The Complaints Officer will respond to all complaints verbally within 48 hours of receipt and will follow up with a written response as quickly as possible.

Should the agent or broker responsible for the file not be forthcoming in dealing with the matter, the Complaints Officer will take all reasonable steps to deal with the matter.

Should the complaint relate to an issue relating to the Mortgage Brokerage Lenders and Administrators Act, all efforts will be made to determine if the transaction was in compliance with the legislation. If a breach of the legislation is discovered, remedial Action will be taken immediately.

Should the complaint relate to a potential claim against the firm's errors and omissions insurance policy, the Complaints Officer will notify the insurer of the potential claim as soon as possible.

At no time will an agent or broker respond directly to the complaint. All responses will come directly from the Complaints Officer.

USE OF FORMS

Borrower Disclosure Forms

While the MBLAA 2006 does not provide for standardized borrower disclosure forms, all forms used by brokers and agents must be approved by MORTGAGE ASSOCIATES ONTARIO INC .

Brokers wishing to enter into contractual agreements with their clients must have all sample contracts and forms approved in advance prior to their use. All broker/client contracts must be in full compliance with MBLAA 2006.

Investor Disclosure Forms

Brokers or agents who deal with private investors must complete government authorized disclosure forms. While the forms may be completed by an agent, they must be signed by a the head office designated broker or principal broker and co-signed by the agent before being forwarded to the investor for review.

The government authorized investor disclosure form, also known as ON Form 1 Investor/Lender Disclosure Form, must be submitted for review prior to the issuance of the form to the investor. The Investor Disclosure form must be submitted via Private Mortgage Review Form completed on the Mortgage Associates Ontario Inc website broker portal (<https://mortgageassociatesontario.com/wp-login.php>) using the brokerage provided login credentials, and submitted to head office for head office review and signature of a broker designated by head office to confirm details and suitability of the investment.

If any corrections or changes to the investor disclosure form are suggested by the head office designated broker, the agent or broker must make those changes and re-submit the investor disclosure form for further review, along with any additional documentation requested by head office.

The government authorized investor disclosure form also known as ON Form 1 Investor/Lender Disclosure Form must be completed for all private mortgage transactions where the agent or broker is representing the lender. This also applies to private mortgage transactions where the agent or broker is representing a lender whom is a family member, spouse, girlfriend, boyfriend, friend, associate, business associate, etc. There is no exemption to this policy, regardless of the relationship status between the agent or broker and said lender/investor.

For mortgage transactions where the lender/investor has opted out of their right to an appraisal report from an accredited professional appraiser, in determining a property value and the condition of the property, mortgage agents and mortgage brokers must present the investor/lender with the Mortgage Associates Ontario Inc Appraisal Waiver

Form to be signed and acknowledged by the investor/lender.

An investor disclosure form is not required as per MBLAA Ontario Regulation 188/08 Section 2 (1) and 2 (2) found at (<https://www.ontario.ca/laws/regulation/080188#BK2>) where the investor has provided satisfactory evidence to the principal broker or designated compliance officer as being part of the designated class of investors whom are exempt from signing the investor disclosure form.

Other Documentation

All forms completed by head office with respect to MBLAA 2006 will be completed on authorized government forms at all times. The most current version of all forms must be used.

ERRORS AND OMISSIONS INSURANCE

MORTGAGE ASSOCIATES ONTARIO INC will subscribe to an Errors and Omissions policy in compliance with the MBLAA 2006. Coverage will remain in force of all times.

The Compliance Officer will advise the insurer of any new agents being hired or any agents or brokers leaving the firm as required in the policy.

Proof of insurance will be available to FSCO upon request and will also be made available in Licensing Link at all times.

Mortgage agents and Mortgage Brokers must comply in full with Mortgage Associates Ontario Inc. policies and procedures manual (subject to change without notice) in conjunction with MBLAA Ontario Regulations, to be eligible to make a claim under Mortgage Associates Ontario Inc's errors and omissions insurance policy. Mortgage agents and mortgage brokers whom are in breach of the Mortgage Associates Ontario Inc. policies and procedures manual and/or the MBLAA Ontario Regulations, indemnify Mortgage Associates Ontario Inc., its successors, officers, directors, shareholders, agents, consultants, counsel and employees harmless from any and all actions, causes of action, claims, demands, costs, liabilities, losses, penalties, fines, expenses and damages arising out of, or in connection with any breach of the policies and procedures manual and/or MBLAA Ontario Regulations or by any act, mismanagement, embezzlement, neglect, misrepresentation, default, or omission made by the Mortgage Agent or Mortgage Broker.

BRANCH OFFICES

A branch office, as defined in the regulations, is any place where the public is invited to attend to transact business. Brokers and agents who maintain separate offices must list those offices as branches to be noted with FSCO. Any change of address for branch

offices must be notified to FSCO within five days.

Brokers or agents who do not work out of a specified office, but invite the public into their home to do business must list their home address as a branch office.

A broker or agent who does not invite the public into their home, but simply runs a home-based office, is not required to notify FSCO of a branch. However, that address may not be listed on any marketing materials.

HUMAN RESOURCES

Hiring Process:

Mortgage Associates Ontario Inc will follow the hiring process as defined in the Addendum named "Hiring Process". During that process if an agent or broker is believed to be unsuitable for license Mortgage Associates Ontario Inc will notify the Superintendent as per O. Reg. 188/08, s. 43(3)

Termination:

Upon termination or Transfer of Licence:

- All access to Equifax, Filogix, @maobroker.com email account, Mortgage Associates Ontario Inc systems and the like will be denied immediately
- FSCO will updated of termination through Licensing Link
 - o If an agent or broker is believed to be unsuitable for license Mortgage Associates Ontario Inc will notify the Superintendent as per O. Reg. 188/08, s. 43(3)
- E & O insurance provider will be alerted
- Internal lists will be updated

Personnel files:

Head office will maintain a file for every broker or agent authorized to deal in mortgages on behalf of the company. This file will contain copies of the representative's qualifications, copy of photo identification, up to date contact information, and all other documents as deemed necessary during the hiring process. The file will also include any third-party contracts between MORTGAGE ASSOCIATES ONTARIO INC , a broker/agent, and their personal corporation and with any lenders as required. See attached Hiring Policy.

The personnel file should also include an acknowledgment that the broker/agent has received a copy of the company's policies and procedures and agrees to comply with such.

For any new employees joining the company, a resume will be included in addition to the above information. The Compliance Officer will process the license application using Licensing Link for new hires and transfers immediately upon their joining the company. New hires will not be permitted to carry on the business of dealing in mortgages until their application has been approved by FSCO.

REMUNERATION

As per O. Reg. 188/08, s. 44 (1) Mortgage Associates Ontario Inc only pays fees or other remuneration for dealing or trading in mortgages only to licensed brokerages or other individuals/entities that are exempt from licensing.

Also in accordance to O. Reg. 188/08 s. 44 (2) Mortgage Associates Ontario Inc does not pay fees or other remuneration for dealing and trading in mortgages on its behalf directly to another brokerage's brokers or agents.

Mortgage Associates Ontario Inc reserves the right to withhold fees or other remuneration for dealing and trading in mortgages on its behalf, for non-compliant mortgage transactions that do not meet the MBLAA compliance requirements and/or Mortgage Associates Ontario Inc.'s compliance process and this policies and procedures manual requirements.

Mortgage Agents and Mortgage Brokers licenced under Mortgage Associates Ontario Inc. are not permitted to receive any direct or indirect monetary compensation or remuneration from any lender/investor, borrower(s), or mortgage agent/broker from another brokerage directly to their personal name or their corporation, directly, for completed or incomplete mortgage transactions. All fees, remuneration/monetary compensation for dealing and trading in mortgage transactions, whether complete or incomplete, must be made to Mortgage Associates Ontario Inc. for distribution.

Personal corporations:

Should a broker or agent require that payment for services be paid to a corporation as opposed to themselves directly, a number of agreements must be in place before any funds can be advanced. The agreements must be in full compliance with the regulations of MBLAA 2006, in addition to agreements between the agent/broker and their personal corporation, which also signifies compliance with the legislation. The corporation may not receive any compensation for mortgage related activities from any source other than MORTGAGE ASSOCIATES ONTARIO INC.

The Addendum named **AGREEMENT FOR AGENT/BROKER COMMISSIONS PAID INTO CORPORATIONS** has been attached.

Receipt of non-monetary consideration:

A broker or agent who receives nonmonetary compensation (reward points, or other rewards) directly from a lender must complete a three party agreement between themselves, the lender and MORTGAGE ASSOCIATES ONTARIO INC , whereby MORTGAGE ASSOCIATES ONTARIO INC acknowledges payment of those items directly to the broker/agent and does not object to same. The Addendum named **AGREEMENT REGARDING NON-MONETARY COMPENSATION** was implemented for this very reason.

For occurrences whereby an agent or broker of Mortgage Associates Ontario Inc incents another brokerage's broker or agent in other forms other than money than the Mortgage Associates Ontario Inc agent or broker must obtain consent from Mortgage Associates Ontario Inc as per o. Reg. 188/08, s. 45 (1)

SUPERVISION

As required under MBLAA 2006, all agents must work under the supervision of a licensed broker.

The principal broker is ultimately responsible for the supervision of all brokers and agents.

MORTGAGE ASSOCIATES ONTARIO INC may also appoint licensed brokers to Act as supervisors.

These brokers will be responsible for the following:

- the broker must be available as required to assist the agents under his supervision
- the broker will Act as a mentor as well as a supervisor to the agents under his control
- the broker will review and sign Investor Disclosure Forms on behalf of the agents prior to them being forwarded to the investor for review
- the broker will physically meet with all agents under his control on a regular basis

All agents will be required to attend staff meetings on a regular basis either in person, webinar, or, by conference call. Attendance by the agent will be mandatory for these meetings.

While the Chief Compliance Officer is ultimately responsible for the documentation of agents' files, supervisors will randomly spot check files in progress to ensure compliance with the legislation.

Agents who hire assistants to assist with administrative functions must ensure that the assistants are not dealing in mortgages as defined in the Act. Administrative assistants are prohibited from taking applications, signing clients or directly discussing product placement with potential clients. Their role should be restricted to dealing with lenders and borrowers with respect outstanding documentation and other administrative functions. It will be the responsibility of the supervising broker to ensure that administrative assistants are not dealing in mortgages illegally.

Should an assistant be authorized to deal in mortgages, they must be licensed by FSCO, and must acknowledge having read the Policies and Procedures.

The supervising broker will immediately notify the Chief Compliance Officer of any contraventions of the legislation. The supervising brokers will act as a liaison with the Chief Compliance Officer who is ultimately responsible for the overall supervision of all staff.

DEALING WITH BORROWERS AND LENDERS

When dealing with borrowers and lenders, brokers and agents will adhere to the following guidelines as established in the Regulations

Role of the brokerage:

The broker or agent must determine whether the brokerage represents the borrower, the lender, or both and must disclose same to all parties in the prescribed manner.

In cases where the mortgage or the mortgage broker represents a lender/investor and does not charge a fee or does not intend to receive any monetary remuneration for having arranged said mortgage, the mortgage agent or mortgage broker must still complete and submit the ON Form 1 Investor/Lender Disclosure Form to be reviewed and signed by head office or the head office designated broker prior to the submission of the Investor/Lender Disclosure Form to the lender for signing. Upon completion of said mortgage, the mortgage agent or broker must submit the completed and signed ON Form 1 Investor/Lender Disclosure Form. This policy applies regardless if the mortgage agent/broker is representing a lender whom is a family member, spouse, girlfriend, boyfriend, friend, associate, business associate, etc. There is no exception to this policy, regardless of the relationship status between the agent or broker and said lender/investor.

In the case of conflicts of interest, all conflicts (whether real or perceived) must be disclosed in the prescribed manner. Examples of potential conflicts include:

When dealing with borrowers:

- if the lender is also a broker, brokerage or agent
- if the lender is related to the broker or agent

- it's the broker, agent or brokerage maintains a controlling interest in the lender

When dealing with investors:

- if the broker, agent or brokerage will receive additional benefits from the transaction other than those disclosed in the normal course of business
- if any party related to the transaction (borrower, appraiser, solicitor or other party) is also related to the broker, agent, or brokerage

Suitability of Mortgage Investments:

Except in the case where the lender is a financial institution, the broker or agent shall take reasonable steps to ensure the investment is suitable for the prospective investor. This will include maintaining an understanding of the lending criteria of potential investors. Mortgage Associates Ontario Inc mandates that each agent or broker complete the FSCO Designated Private Investor form and Ontario Client Information Form for Private Investors. Both have been added as addendums to this Policy and Procedure Manual.

Verification of Identity:

Brokers and agents will make every effort to verify the identity of their borrowers. If they are unable to do so they will notify the potential lenders forthwith. When dealing with a private investor for the first time, it is mandatory to verify the identity of that investor.
Identification of Material Risks:

Except in the case of institutional or designated lenders, brokers and agents will notify potential lenders or investors of any material risks in the transaction in the manner prescribed in the regulations.

Unlawful Transactions:

A broker or agent will not act as a representative of any borrower, lender or investor if he has reasonable grounds to believe that the transaction is unlawful.

If a broker or agent has reason to doubt a borrower's legal authority to mortgage a property, you will notify prospective lender at the earliest opportunity.

If a broker or agent has reason to doubt the accuracy of information contained in a mortgage application or in supporting documentation, he will advise the prospective lender immediately.

Syndication

Making Mortgages Make Sense

Implementation Date	Regulation
July 1, 2008	Licensing and education
	Exemption for disclosure to dedicated class of investors
	Use of authorized names
	Complaints
	Unlawful transactions
	Restriction on tied selling
	Disclosure brokerage's relationships
	Disclosure to private investors
	Requirement to carry E&O insurance
	Restrictions on payments to personal corporations
	Restrictions on payments to non-licensed entities
	Retention of records
January 1, 2009	Cost of borrowing
	Use of names and license numbers in public relations materials
	Duty to verify customer's identity
	Disclosure re: roll and relationships of brokerage
	Disclosure of fees receivable and payable
	Suitability of mortgage and material risks
	Conflicts of interest
	Disclosure to borrowers in new format
	Restriction on advance fees under \$300,000
	Policies and procedures

Mortgage Associates Ontario Inc does not hold an Administrators License and therefore does not syndicate mortgages.

Trust Accounts

Mortgage Associates Ontario Inc does not hold or manage a trust account and as such funds cannot be taken "in trust"

IMPLEMENTATION OF REGULATIONS

Agreements regarding non-monetary compensation

AGREEMENT REGARDING NON-MONETARY COMPENSATION

This agreement between Mortgage Associates Ontario Inc (Brokerage)

And _____ (Lender)

And _____ (Agent)

Whereas _____ is licensed with FSCO as a Mortgage broker/mortgage agent, and is authorized to deal the mortgages on behalf of the Brokerage;

And whereas the Lender (be it a financial institution or another brokerage) may offer non-monetary Compensation for the placement of mortgage related products:

1. The Brokerage hereby consents to the payment of this compensation directly to the Agent;
2. The Lender agrees to provide details of the particulars of compensation paid, periodically, and upon request by the Brokerage;
3. The Agent consents to the payment of this compensation directly to him;
4. All parties agree to abide by Ontario Regulation 187/08, Section 5, or as subsequently amended.

Signed at _____ this _____ day of _____, 20_____.

Per: _____

Authorized Representative of Brokerage

Per: _____

Authorized Representative of Lender

Per: _____

Agent

HIRING PROCESS

As part of its hiring process Mortgage Associates Ontario Inc will collect the following items:

- Check FSCO website to ensure the new hire is currently licensed with 1 brokerage and is in good standing
- Agreement
- Verification of Identity form - 2 Pieces – DL, Health, Passport, SIN, Citizenship card. **SCANNED NOT FAXED**
- CAAMP Application/Transfer Form (if applicable)
- Equifax Agreement
- VOID Cheque
- Lender Declaration form
- Statement of Non-Related Activities form
- Acknowledgement form for Policies and Procedures
- Credit Check Form
- Credit Card Authorization Form
- Information sheet for Payroll
- Proof of Education if not registered with FSCO (I.e. FSU 101)
- Birth date
- Full address
- Home phone number, cell number, fax number (ALL of these are needed)
- SIN
- If a Business:
 - Business Number
 - Addendum form for companies
- If public location register as a branch with FSCO

New Hire Process

1. Interview process
2. If the agent/broker is suitable for hire the above items are collected
3. A credit bureau report is generated to review credit rating. If the credit report presents potential concerns the agent must explain concerns to satisfy Mortgage Associates Ontario Inc
4. A FSCO license transfer or application is initiated in Licensing Link. Once complete
 - i. An Equifax and Filogix code is ordered
 - ii. Our Errors & Omissions insurance provider is immediately notified

- iii. CAAMP is notified of the transfer or new application (if applicable)
- iv. Business cards are ordered
- v. An announcement is sent to all industry partners (i.e. Lenders) to alert them of the new hire and to invite any commentary or feedback
- vi. An orientation/welcome process is scheduled

CO-BROKERING POLICY

If Mortgage Associates Ontario Inc agent/broker is co-brokering a deal to another agent/broker to an outside brokerage they are still to maintain all records as per the FILE HANDLING AND RETENTION Section aforementioned.

If an Mortgage Associates Ontario Inc agent/broker is accepting a mortgage deal through co-brokering from an outside agent/broker from an outside brokerage they are to ensure that all processes are deployed which includes but is not limited to:

1. Having client sign an Mortgage Associates Ontario Inc Client Consent/Agreement form
2. Requiring client to provide original documents
3. Verifying Client Identification
4. Completing a Mortgage Application
5. Determining suitability and disclosing potential risks for the client
6. Providing an amortization schedule
7. Completing all regulatory compliance documents such as Borrower Disclosure Form, Investor's Disclosure Form, etc.