



Written Service Agreements Explanation Sheet – Acting as an Intermediary

Term of the Agreement

The term of the agreement will start the day stated on the agreement and end on funding of the mortgage or financing.

Services

Your core services are to gather information to determine identity and credit eligibility, and submit the application to a lender. Your brokerage may provide additional services that you may include in this section. Examples may be offering life insurance or house insurance options,

Personal Information

It is very important that you receive the consent from the borrower to collect, maintain, use, and disclose their personal information in a timely manner. If you collect their personal information prior to their consent, you may be in violation *Personal Information Protection Act* (PIPA).

This section identifies where you may verify and send the information in support of the application and to advise outside parties of the progress of the transaction. The outside party may be your real estate industry professional.

This section allows the borrower, to give or not give, their consent for the mortgage broker to send the borrower commercial electronic messages after the funding of the mortgage. Canadian Anti-Spam Legislation (CASL) requires mortgage brokers to have the consent of a person to send commercial electronic messages.

Brokerage Responsibilities

This outlines your responsibilities.

Relationship Disclosure

When acting as an intermediary you must not place the interests of one party over the other, advocate for either party, give confidential advice, or recommend a single mortgage option. If you advocate on behalf of the borrower with the lender then you are acting on behalf of the borrower not as an intermediary.

Borrower Responsibilities

The borrower's responsibilities relate to giving information and paying for applicable services.

Credit Bureau Consent

The *Fair Trading Act* requires you to have consent from the borrower prior to "pulling" a credit bureau on a borrower. The consent must be in "verifiable form". This may be in writing, by email, or a recorded conversation. The burden is yours to be able to verify that the person who gave the consent is the person subject to the credit bureau.

Brokerage Fee

If you are only receiving a fee from the lender then you should stroke out and initial clause 7.2. If you may receive a fee or non-monetary benefits from other sources, you should check the applicable box.

The balance of clauses deals with the end the agreement and other details about the agreement.



SERVICE AGREEMENT
Acting as an intermediary

An agreement between

the Mortgage Brokerage (we)

and

the Borrower(s) (you)

1. Term of Agreement

1.1 This Agreement begins on _____, 20__ at ____ a.m./p.m. It ends on the funding of the loan, mortgage or other financing.

2. Services

- 2.1 We will collect your personal information to determine your identity and credit eligibility.
- 2.2 We will submit your financing application and other documentation to the lender.

3. Personal and confidential information

- 3.1 You give your consent to us to collect, maintain, use, and disclose your personal information for the purpose of this Agreement and for all uses consistent with arranging and/or renewing loans, mortgages or other financing.
- 3.2 You agree, we will collect your personal information from any person or source that has personal information about you. You authorize them to release your personal information to us.
- 3.3 You agree we can provide your personal information and financing application to each potential lender, insurer, insurance agent/broker or service provider, and they may receive this information maintain records relating to you, including your Social Insurance Number if you provide it.
- 3.4 You agree, each potential lender, and we can verify any information from any source for the purposes of this agreement and arranging and/or renewing loans, mortgages or other financing.
- 3.5 You agree we will retain your personal information for safe keeping in accordance with the *Real Estate Act* of Alberta, the *Personal Information Protection Act* (PIPA) and the *Personal Information Protection and Electronic Documents Act* (PIPEDA), whether or not your financing is approved or funded. You agree, we may send the application and personal information to a corporate office of the brokerage and hold the information securely with access restricted to individuals having a need to deal with the information.
- 3.6 We will not:
 - a) give out any of your confidential information without your consent, unless required by law.
 - b) use confidential information we receive from you or that we get from performing under this agreement for any other purpose than those in this agreement unless you agree in writing.

- 3.7 Our duty to keep your information confidential continues after this agreement ends.
- 3.8 You understand the use of the information is to determine your credit eligibility.
- 3.9 You agree we may advise _____ about the progress of your application.
- 3.10 You agree we may add your name and contact information to our client lists at the end of the term of this service agreement to tell you about our services through electronic means. I/we agree _____ Initials I/we do not agree _____

4. Our responsibilities

- 4.1 We will review your personal information and documents received to confirm your identity and your credit eligibility. If further verification is required, we will notify all parties to any potential transaction of any changes.
- 4.2 We may provide related financial services.
- 4.3 We will act as an intermediary between you and lender(s).
- a) Our responsibilities to you in an intermediary relationship include:
- i. be honest;
 - ii. exercise reasonable care and skill;
 - iii. gather your intended property and financial information to determine the lending options available to you;
 - iv. disclose and explain finance options for your consideration;
 - v. complete and submit documentation to the lender; and
 - vi. keep you informed of the progress of your application.
- b) Our responsibilities to the lender are:
- i. be honest;
 - ii. exercise reasonable care and skill;
 - iii. complete and submit documentation to the lender;
 - iv. disclose what steps were taken to verify information and documentation as part of the application process; and
 - v. keep the lender informed of the progress of the application.

5. Your responsibilities:

- 5.1 Communicate and cooperate with us.
- 5.2 Be honest
- 5.3 Give us personal and financial information and keep us updated on any changes.
- 5.4 Pay all applicable expenses for a credit report, appraisal, Alberta Registries report and courier charges for this purpose of this agreement whether or not you receive approval or funding. We will discuss these expenses with you.
- 5.5 Pay for any costs we incur to verify your personal information.

6. Credit Bureau Consent:

- 6.1 You authorize us to obtain credit report(s) from Equifax, TransUnion or _____.

7. Our fee

- 7.1 We will receive our fee for this mortgage transaction from the lender.
- 7.2 We may (will) also receive monies or non-monetary benefits from the lender that include additional fees based on our volume of business with the lender, our efficiency with the lender, because you are paying a higher rate than otherwise is available with this particular lender, travel/gifts, attendance at seminars or conferences, equity shares with the lender and other: _____

8. Early end to this agreement

- 8.1 Despite the end date listed at the beginning of this agreement, the agreement ends immediately if any of these things happen:

- a) we both agree in writing to an earlier end date.
- b) our licence to deal in mortgages is suspended or cancelled.
- c) we are bankrupt, insolvent, or we are in receivership.
- d) you materially breach this agreement and we give you written notice to end it, or we materially breach this agreement and you give us written notice to end it.

If the agreement ends for any of these reasons, there will be no effect on our rights and your rights under this agreement.

9. Other details about this agreement

- 9.1 The laws of the Province of Alberta govern this agreement.
- 9.2 Words in the singular meaning may be read as plural when required by the context.
- 9.3 The clause numbers will change as necessary, if there are changes in this agreement.
- 9.4 Any future changes to this agreement must be in writing and signed by both of us to be effective.
- 9.5 You agree the information provided to us and the financing application is true and correct.
- 9.6 You acknowledge this agreement accurately sets out what both of us agree to
- 9.7 You acknowledge that you have read and received a copy of this Agreement.

10. Contact information

- 10.1 You and we may communicate and deliver documents and information to each other in person, by mail, or electronically. You and we acknowledge there are risks with each of these methods and we have explained these risks to you.
- 10.2 We will use the following contact information for all written communications between both of us. Both of us must tell each other in writing within two business days of the change of this information.

Borrower	Brokerage
Name _____	Name _____
Name _____	Address _____
Address _____	
Phone _____ Fax _____	Phone: _____ Fax _____
Email: _____	Email _____

SIGNED AND DATED

This _____ day of _____, 20_____.

Signature of Borrower _____

Print Name of Borrower _____

Signature of Borrower _____

Print Name of Borrower _____

Signature of Brokerage Representative _____

Print Name _____