###### Brokerage Policies & Procedures Manual – Assumptions

The Real Estate Council of Alberta (RECA) is providing this information as a template for brokers to consider when creating or updating their brokerage’s Policies & Procedures Manual. Brokers should review and edit the information to fit the policies and procedures of their brokerage.

###### Editing Tips

* Review the Table of Contents, noting any sections that do not apply to your brokerage and can be deleted.
* Use the **Find and Replace** tool in Word to find all instances of “**<Brokerage Name>**” and replace them with your brokerage name.
* Go through the document, removing the sections you noted and updating remaining sections, as necessary.
* Watch for angle brackets: “< >.” These mark brokerage specific information that needs to be added to the document, or choices of sample policies and procedures based on qualifying information.

Contents Subject to Change

While care was taken to ensure the contents represent current requirements, the laws and rules affecting dealing in mortgages and managing a business are subject to change.

Brokers have a duty to keep themselves up-to-date and make changes to the Brokerage Policies & Procedures Manual when parts become out of date or obsolete. Updating is a continual process.

The manual is available for download from RECA’s website. RECA will notify brokers by email when updates occur.

RECA wishes to thank all who contributed to this document, including Alberta Mortgage Brokers Association and the licensees who took the time to provide comments.

RECA appreciates broker suggestions and feedback on this document and welcomes further input towards improvement.

Please forward your suggestions to RECA’s Regulatory Compliance Advisor – Mortgage Brokers (brokers and delegates): Gary Siegle gsiegle@reca.ca

Policies & Procedures Manual for <Brokerage Name>

Updated as of March 2022

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# Part 1: General Terms and Conditions

## Purpose

This manual was developed considering the requirements of Section 67 of the *Real Estate Act* Rules. The policies and procedures outline the expectations of employees and independent contractors of <Brokerage Name> and provide a guide for how we conduct our business operations and mortgage deals.

Mortgage licensees engaged by <Brokerage Name> are employees pursuant to the *Real Estate Act* and can also be considered employees pursuant to the Alberta Employment Standards Legislation. For the purposes of this manual mortgage licensees are considered employees, except when explicitly excluded in the Alberta Employment Standards Legislation and explicitly mentioned as an exclusion in this manual.

All <Brokerage Name> employees must read and comply with the content of this Brokerage Policies & Procedures Manual. Each new employee must sign an acknowledgment of understanding after being given an opportunity to read the manual in detail.

If there is a conflict between the content in this manual and brokerage information shared elsewhere, the policies and procedures in this manual will take precedence. Employees should report any conflicts to the broker.

## Proprietary Statement

This Brokerage Policies & Procedures Manual contains proprietary information of <Brokerage Name>. You may not use, reproduce, copy, transmit, or disclose this proprietary information to any other parties for any purpose without the express written permission of the broker.

You must return any copies of the manual to management prior to leaving our employ.

## Terminology

Throughout this manual you will find terms that have specific definitions within the industry. To ensure shared understanding, these terms are defined as:

|  |  |
| --- | --- |
| **Associate** | An individual who is licensed by RECA as a mortgage associate and is registered with a brokerage |
| **Broker** | An individual who is licensed by RECA as a broker and is registered with the brokerage. The broker is responsible for the operation of the brokerage and the supervision of all its employees. There can only be one broker for each brokerage |
| **Brokerage** | The company, partnership or sole proprietorship licensed by RECA as a mortgage brokerage and authorized to deal in mortgages. A brokerage must have a broker responsible for its operation |
| **Borrower** | A person arranging a loan or attempting to arrange a loan secured by a mortgage  |
| **Client** | A person who has entered into a service agreement with a mortgage licensee in accordance with the *Real Estate Act* Rules, whether or not that service agreement is in writing |
| **Customer** | A person who has contacted, but not engaged or employed, a mortgage professional to provide services |
| **Employee** | Any person, including associates, broker, and administrative staff, who works for the brokerage as an independent contractor, full-time or part-time employee, unlicensed or licensed. Independent contractors have some special exceptions which will be indicated when applicable.  |
| **Financial Institution** | A bank, loan corporation, trust corporation, credit union, or treasury branch, or other body whose business includes the lending of money by way of mortgage security or otherwise, or a subsidiary, within the meaning of section 2 of the *Business Corporations Act* |
| **Individual private lender** | An individual or corporation solely owned by an individual that lends money secured by a mortgage |
| **Licensee**  | Any person who is authorized by RECA to trade in real estate, deal in mortgages in accordance with the *Real Estate Act* |
| **Lender** | A financial institution or a private lender |
| **Mortgage licensee** | Any person licensed to deal in mortgages in Alberta under the *Real Estate Act* and registered with a brokerage |
|  |  |
|  |  |
|  |  |

# Part 2: About <Brokerage Name>

<Insert welcome message for new employees, including your culture statement, or details about your brokerage’s informal culture.>

<Brokerage Name> holds a licence under the *Real Estate Act*, and the brokerage complies with all legislative requirements, and requires that all mortgage licensees and staff will do the same. See Part 9 – Legislation & Interpretations.

## Our Brand

### Mission

<insert your brokerage mission statement>

### Vision/Objectives/Goals

<Insert any vision or objectives & goals of your brokerage>

### Philosophy/Values

<Insert any values or philosophy that the brokerage and brokerage staff work within>

### Service Quality

<Brokerage Name> is a service organization, whose role is to assist customers and clients in a professional, competent, and courteous manner that displays service excellence. We are committed to service excellence.

### Specialization

The brokerage and associates’ licences allow us to negotiate residential mortgage transactions, buy and sell mortgages, negotiate commercial mortgage transactions, represent individual private lenders, and provide mortgage administration services. Associates are reminded the Rules stipulate licensees must provide competent service and prohibit reckless conduct. There are specific rules and procedures that apply to each specialization and the brokerage errors and omissions insurance coverage may exclude certain activities. Therefore, brokerage employees must obtain the broker’s consent before offering to provide a service where they have no training or experience or falls outside the typical residential business with institutional lenders, or deals with private lenders, or with brokerages who represent private lenders or commercial mortgages. It is important to ensure we know who we are dealing with and the type of mortgage deal before proceeding.

## Brokerage Background

<Insert brokerage background, which could include a summary of its history, involvement with the board or industry associations, and the local community>

## The <Brokerage Name> Structure

### Management/Administrative Structure

<Insert an organizational chart, a list of administrative staff, staff contact info, etc.>

### Brokerage Responsibilities

* ensuring it carries out its business competently and in accordance with the *Real Estate Act (*the *Act),* Rules and any other laws that govern dealing in mortgages and business activities
* supporting its mortgage licensees
* promoting the integrity of the industry by providing consumers with excellent service

### Broker Responsibilities

* providing direction and guidance on all issues around any mortgage dealings and brokerage administration
* supervising all mortgage licensees and administrative staff, ensuring adherence to the requirements of the *Act,* the Regulations, the Rules, and this policies and procedures manual
* holding accountable all mortgage licensees representing the brokerage in being professional in all their interactions with clients and customers of the brokerage
* resolving disputes (see Part 4-7)
* reading all communications from RECA and acting as necessary
* cooperating fully with any representative of RECA carrying out their duties and responsibilities under the *Act*

### Associate Responsibilities

* professionally and competently delivering services to the public
* keeping current with continuing education, licensing and membership requirements and practices
* knowing, following, and remaining up to date with changes to the *Act,* the Rules, and the standards of practice published by RECA
* reading all communications from RECA and acting as necessary
* responding promptly to broker or brokerage inquiries, as stipulated in *Real Estate Act* Rule 53(g)
* immediately notifying the broker and RECA of certain information changes and specific events, as outlined in *Real Estate Act* Rules 21 and 40
* cooperating fully with any representative of RECA carrying out their duties and responsibilities under the *Act*

# Part 3: General Office Policies & Procedures

## Orientation

New employees will be oriented to <Brokerage Name>’s general operations by working with a designated employee to complete the employee orientation checklist. This checklist will be attached to the offer of employment and kept in the employees’ personnel file.

<Insert orientation checklist items>

The brokerage will provide new employees with the following:

* the Brokerage Policies & Procedures Manual, either in hardcopy or electronically
* training, as necessary, on:
	+ office technology and telephone systems
	+ office administration and accounting procedures
* passwords or codes for all necessary systems

The following items will be prepared:

* an order for business cards
* photograph and news release (mortgage professionals)
* details on submitting applications to lenders

Mortgage licensees new to the brokerage must complete:

* the independent contractor or employee agreement
* applicable income tax forms
* membership application for any professional associations

## Probation

Each new employee (who is not a licensee) will complete a probation period at the beginning of their employment with <Brokerage Name>. The standard probation period is three months, but the brokerage may extend the length of this period depending on the nature of the job and the candidate’s skills. The length and expectations of an employee’s probation period will be communicated and documented during orientation.

The probation period provides the employee and <Brokerage Name> with time to evaluate whether the new work relationship is mutually satisfactory. It will also allow the brokerage to determine whether the employee can succeed in the position for which they have been hired.

If necessary, the supervisor can recommend an extended probation period, to further evaluate skills.

Any unsatisfactory performance or behaviour may be discussed with the employee in advance of the end of the probation period to give the employee an opportunity to rectify the issue in advance. No feedback given at the end of the probation period should take the employee by surprise.

If the supervisor has determined that the employee’s performance during the probation period was below expected standards and is not likely to be rectified by further training or guidance, the brokerage may terminate the employment relationship. The employee will be given notice and be paid, as per the employment contract or in accordance with the Alberta Employment Standards Legislation*.*

## Duties & Responsibilities: Administration & Support Staff

### Management Support

Mortgage licensees are to consult the broker or delegate broker or manager on all transaction matters. Management is normally available at the office during normal business hours or by cell phone, text message, or email.

### Administrative Support

Administrative staff <are/are not> available to provide administrative assistance to mortgage licensees. Licensees are expected to make use of assistance only when they cannot complete the duties themselves and must be patient and considerate when requesting assistance.

### Accounting Operations

<Brokerage Name> employs a dedicated staff person to oversee all accounting operations, including accounts receivable and payable, deal-related payments, and brokerage budgeting.

### General Office Operations

<Brokerage Name> offices are open to the public <insert office hours>.

Administrative and support staff of <Brokerage Name> are responsible for maintaining the day-to-day operations of the brokerage office. These duties include:

* opening the office
* answering and forwarding incoming calls
* processing incoming and outgoing mail and courier packages
* stocking the business machines (e.g., copier, printers) with paper and toner or ink
* preparing the office for closing

## Administrative Employee Payroll

Administrative employees of <Brokerage Name> are paid <bi-weekly/semi-monthly/monthly>. Income Tax, Employment Insurance, and Canada Pension Plan premiums <add any benefits or additional insurance premiums that are deducted> will be deducted from each pay.

## Facilities and Office Etiquette

### Common Spaces

The appearance of the brokerage office affects how the public views us. The office must be kept tidy, clean, and in good repair.

All employees are expected to clean and tidy up after themselves and their clients or guests. Employees should immediately inform the office administrator if anything in the office needs repair.

A good rule: leave meeting and supply rooms ready for the next person the way you would hope to find the room when you need it.

### Office Supplies & Stationary

<Insert policies for office supplies, around who has access, process for ordering, etc.>

### Kitchen/Lunchroom

The office kitchen/kitchenette is available for staff use and is equipped with a fridge, microwave, sink, and dishwasher. Employees are expected to keep the kitchen clean: loading & unloading the dishwasher, cleaning spills and any food explosions in the microwave, removing food from the fridge before it rots or grows mould, etc.

### Smoking

The brokerage office is a non-smoking space. All smoking, including the use of e-cigarettes and vaporizer devices (vapes), should be done outside and at least five meters from any doorway.

## Office Access

All employees will receive <specify whether keys, access card, fob, etc.> and an alarm code to access the brokerage office and are solely responsible for the security and use of this access. Do not share your alarm code or give your <keys> to anyone else.

Never write your alarm code or any other codes or passwords in a place that can be accessed by others. If you lose your <keys> or forget your alarm code, immediately inform the broker.

Employees must return any brokerage <keys, fobs> immediately upon termination of employment with <Brokerage Name>.

## Parking

Employees must park their vehicles in parking spaces located away from the entrance to the building. Parking spaces located close to the entrance are to remain, as much as practicable, for the use of <Brokerage Name> clients.

<If paid parking or assigned parking spots, enter any processes employees need to know>

## Information Technology

<insert policies and procedures around an IT systems & equipment>

### Information Technology Resources

<Brokerage Name> provides access to business equipment, the internet, and the brokerage’s computer network for employees to perform duties while in the brokerage office. These resources are the property of the brokerage and are to be used only for official brokerage business.

### Expectations of Privacy

<Brokerage Name> reserves the right to access and monitor the use of information technology resources, including email communications, downloads, browsing history, and any electronic storage.

Employees are expected to exercise common sense and professionalism in their communications and to adhere to privacy policies and legislation.

The brokerage will discipline (or file a criminal complaint, where applicable) employees found creating, accessing, or distributing information in any form which:

* is sexually explicit, offensive, vulgar, harassing
* is offensive, harassing, or inflammatory towards a person or group of people
* constitutes hate speech
* incites violence
* describes or promotes terrorist activities
* promotes or supports activities which violate local, provincial, or federal laws
* advertises personal for-profit activities
* is religious or political in nature
* violates copyright laws

### Cybersecurity

<Please use the extensive information provided in the 2020 Mortgage Broker Update REP course, or the Mortgage Broker Program course & the Cybersecurity Checklist (Part 11) to further develop your cybersecurity policies within this document.>

Employees of <Brokerage Name> must not disclose to anyone their passwords or access codes for any brokerage network systems or databases with sensitive consumer information.

Electronics must be locked, or password protected, when the employee steps away, even if just for a moment.

Viruses and malware can compromise the private information of clients and representatives, corrupt or lock data, and otherwise disrupt the business of the brokerage.

<Brokerage Name> requires all representatives to exercise caution when downloading files, opening attachments, or clicking on hyperlinks, especially if you are not expecting a file or link from the sender.

Mortgage licensees who use a laptop or tablet must ensure that they have installed trusted anti-virus and firewall software.

## Telephone Procedures

Only employees who are licensed to deal in mortgages can give out information regarding mortgages.

## Overtime Compensation

As per the Alberta Employment Standards Legislation <Brokerage Name> must compensate eligible employees (who are not licensees) for any time worked over eight hours a day or 44 hours a week (whichever is greater).

Overtime is paid at a rate of <insert current overtime rate> regular pay of the eligible employee and will be paid within the pay cycle in which it has been accrued.

<Or any overtime accrued by an eligible employee will be banked at a rate of <insert overtime rate> for every hour accrued. Banked overtime must be used within six months of the pay period within which it was accrued.>

### Eligibility

All employees are overtime eligible except:

* Managers and supervisors
* Mortgage licensees

## Advances on Pay and Commissions

<Insert brokerage policy for advances>

## Vacation Allowances

Under the Alberta Employment Standards Legislation all brokerage employees who are not mortgage licensees (independent contractors) are eligible for paid vacation.

<Insert details of vacation structure for your brokerage, including minimum paid vacation days, process for submitting time off requests, borrowing days not yet earned, etc.>

To ensure that the brokerage has enough staff available to maintain operations, vacation requests are approved at the discretion of the broker.

Eligible employees are encouraged to take annual vacation in the calendar year in which it is earned. Employees may carryover up to 10 vacation days into the next year. Carryover requests must be approved by the broker in advance and taken within the following 12 months.

Eligible employees may instead request that unused vacation days be paid out. The payout amount will be paid at the administrative staff’s salary as of the date when the broker approved the carryover. This option will be subject to budget constraints and approval of the broker.

Upon termination of employment <Brokerage Name> will pay all earned, but unused vacation days at the eligible employee’s current salary. Conversely, the brokerage will deduct, at the current salary, all used but unearned vacation days from the eligible employee’s final pay.

## Statutory and Civic Holidays

<Brokerage Name> will pay all non-independent contractors for statutory and civic holidays the average daily wage for the employees not expected to work, for those expected to work, the average daily wage and 1.5X their wage for time worked or their wage for every hour they work plus an additional paid day off.

<Brokerage Name> observes the following statutory and civic holidays for non-independent contractor employees:

<Below is a list of days commonly observed by employers in Alberta. Add any additional days that your brokerage will be closed to give employees time off, e.g., Easter Monday. See a complete list of Alberta general holidays: <https://www.alberta.ca/alberta-general-holidays.aspx>>

* New Year's Day
* Family Day (3rd Monday in February)
* Good Friday\*
* Victoria Day
* Canada Day
* Heritage Day (1st Monday in August)
* Labour Day
* Thanksgiving Day
* Remembrance Day
* Christmas Day\*
* Boxing Day

Employees may substitute recognized religious holidays (Christian holidays are marked with an asterisk). Employees may negotiate substitutions with the broker in advance.

When a statutory holiday falls on a Saturday or Sunday, the broker will determine the day off in lieu (either Friday or Monday) based on local business community practice and subject to other employee considerations.

If a statutory holiday falls during an employee’s annual paid vacation, it will count as a statutory holiday and not a vacation day.

## Leaves of Absence

Employees who are not independent contractors may be eligible for any of the applicable job-protected leaves identified under Alberta Employment Standards.

Employees who are not independent contractors must provide a written request stating the reason and duration of the absence. Vacation time, sick time and years of service do not accumulate while an administrative staff person is on a leave of absence.

Leaves of absence are subject to approval by the broker. The broker will determine if employees continue to receive their benefits while on leave.

### Bereavement Leave

Bereavement leave is protected under federal and provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days are eligible for bereavement leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

<Brokerage Name> will grant paid bereavement leave of up to three days in the event of death of an immediate family member (spouse, child, parent, sibling), one day for extended family members and close friends, and time away for funerals otherwise.

Additional time for travel may be granted at the discretion of the broker.

Eligible employees can also use vacation days or banked overtime to extend the bereavement leave given by the brokerage.

### Citizenship Ceremony Leave

Citizenship ceremony leave is protected under provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days are eligible for citizenship ceremony leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

Eligible employees can take up to a half-day of unpaid leave to attend their citizenship ceremony.

<Update to indicate if your brokerage offers this time off with pay>

### Compassionate Care Leave

Compassionate care leave is protected under provincial legislation.

Employees who have worked with the brokerage for more than 90 days are eligible for compassionate care leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

<Brokerage Name> will grant unpaid compassionate care leave of up to 27 weeks to care for gravely ill family without risk of losing their job. Employees must provide a medical certificate for the respective family member to be eligible for this leave.

This is an unpaid leave, though the employee may be eligible for Employment Insurance (EI) benefits through the Government of Canada.

### Critical Illness Leave

Critical illness leave is protected under provincial legislation.

Employees who have worked with the brokerage for more than 90 days are eligible for unpaid critical illness leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis. The eligible employee is guaranteed their same, or equivalent, job when returning to work.

This is an unpaid leave, though the employee may be eligible for Employment Insurance (EI) benefits through the Government of Canada.

<Indicate if your brokerage offers top-up pay or offers optional critical illness benefits>.

### Death or Disappearance of a Child Leave

This leave is protected under provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days are eligible for death or disappearance of a child leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

<Brokerage Name> will grant unpaid leave of up to 52 weeks after the day the child disappeared, unless otherwise agreed to in writing by the employee and employer.

Employees are eligible to take leave for the disappearance or death of a child if the incident occurs because of a probable Criminal Code offence, and the employee is:

* the parent, or spouse or common-law partner of a parent, of the child in question
* a person with whom the child has been placed for the purpose of adoption
* the guardian or foster parent of the child
* a person who has the care, custody, or control of the child whether or not they are related by blood or adoption.

An employee is not entitled to this leave if they have been charged with a crime that resulted in the death or disappearance of the child.

If the child disappears and is then found alive, the period of leave will end on the earlier of:

* 14 days after the child is found
* 52 weeks from the day the child disappeared

If the child disappears and then is found deceased as the result of a crime, the period of leave will end 104 weeks from the day the child disappeared.

<Indicate if your brokerage would offer top up pay or extend benefits through the leave. You can also choose to include information on the income support available through the Parents of Murdered or Missing Children grant through the Government of Canada.>

If an employee takes leave due to the death or disappearance of a child and is subsequently charged with the crime that resulted in the death or disappearance of the child, the leave will end on the date the employee is charged with the crime.

If an employee takes leave due to the death or disappearance of a child and it is determined to no longer be probable that the death or disappearance of the child was the result of a crime, leave will end on the day of this determination.

### Domestic Violence Leave

Domestic violence leave is protected under provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days are eligible for domestic violence leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

<Brokerage Name> will grant paid domestic violence leave of up to 10 days to eligible employees if an act of domestic violence occurs to:

* the employee
* the employee’s dependent child
* a protected, represented, assisted, or supported adult—as defined by the *Adult Guardianship and Trusteeship Act*—who is living with the employee

Acts of domestic violence are determined by both the relationship to the victim of the person who perpetrated the act as well as the act itself. For a list of relevant relationships and acts, please see <https://www.alberta.ca/domestic-violence-leave.aspx>.

<Indicate if your brokerage will offer top-up pay for this leave.>

### Long-term Illness and Injury Leave

This leave is protected under provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days are eligible for long-term illness and injury leave. The broker may grant leave to employees who have been an employee for less than 90 days, on a case by case basis.

Employees must provide a medical certificate, issued by either a physician or nurse practitioner that states the estimated duration of the leave. Employees must give written notice, including the estimated return to work date, as soon as is reasonable.

Eligible employees may take up to 16 unpaid weeks leave per calendar year due to long-term illness and injury.

Employees may be eligible for Employment Insurance (EI) benefits during this time.

 <Indicate if your brokerage offers top up pay.>

Employees are expected to notify the broker if the expected return to work date changes.

Employees must give one weeks’ notice of the date they intend to return to work, unless otherwise agreed to prior. If the employee is unable to return to work and decides to terminate their employment, they must provide at least two weeks’ notice to the brokerage.

### Maternity and Parental Leave

#### Maternity Leave

Maternity leave is protected under federal and provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days, can take up to 16-weeks (not including parental leave) without pay and will have their same, or an equivalent, job when they return.

<Brokerage Name> is not required to grant maternity leave to employees who have been with the brokerage for less than 90 days. Employees may still choose to take leave and may still be eligible for Employment Insurance benefits through the Government of Canada, but they are not guaranteed their job once their leave ends. However, if there was an agreement made upon hire, regarding the timing of the leave, <Brokerage Name> is required to guarantee the employee’s job during the leave.

Employees must give six weeks’ notice before the start of maternity leave and four weeks’ notice before their expected return to work date, regardless if they plan to return.

<Brokerage Name> encourages employees to familiarize themselves with provincial legislation and federal regulations governing maternity leave.

<If your brokerage offers top-up pay to eligible employees, detail there here>

#### Parental Leave

Parental leave is protected under federal and provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for more than 90 days, can take up to 62-weeks (not including maternity leave) without pay and will have their same, or an equivalent, job when they return.

<Brokerage Name> is not required to grant parental leave to employees who have been with the brokerage for less than 90 days. Employees may still choose to take leave and may still be eligible for Employment Insurance benefits through the Government of Canada, but they are not guaranteed their job once their leave ends. However, if there was an agreement made upon hire, regarding the timing of the leave, <Brokerage Name> is required to guarantee the employee’s job during the leave.

Employees must give six weeks’ notice before the start of parental leave and four weeks’ notice before their expected return to work date, regardless if they plan to return.

<If your brokerage offers top-up pay to eligible employees, detail there here>

### Personal and Family Responsibility Leave (Sick Leave)

The Alberta Employment Standards Legislation mandates five days of leave without pay for personal or family responsibility reasons. This includes sick leave.

Full-time permanent employees of <Brokerage Name> will accrue sick leave at a rate of <insert #> days per year. The accrual begins as of the employee’s start date.

<Brokerage Name> expects employees to inform their supervisor as soon as they know they will be unable to work due to illness. If an employee is out sick from work for three consecutive days, the supervisor may request a doctor’s note.

<If employees have the option of telecommuting, you might wish to encourage this option for employees that are sick with seasonal viruses but able to work, to keep them from spreading throughout the office, i.e., Employees who are sick with a seasonal virus but feel able to work, should work from home. Those working from home are expected to inform their supervisor of their intentions and ensure that any duties they are not able to meet can be covered, including customer meetings, lender submissions, and deal follow up>

### Reservist Leave

This leave is protected under provincial legislation. Employees are entitled to their same or an equivalent position upon return.

Employees who have worked with the brokerage for at least 26 consecutive weeks and are a Reservist are eligible to take unpaid leave for deployments and training. The broker may grant leave to employees who have been with <Brokerage Name> for less than 26 weeks, on a case by case basis.

Eligible employees can take up to 20 days each calendar year for annual training and as long as necessary to accommodate a period of service required for domestic or international deployment.

Employees requesting reservist leave must provide the broker with four-weeks’ written notice of their intention to take the leave as well as documentation from the employee’s commanding officer stating:

* that the employee is taking part in an activity that qualifies for reservist leave
* the day on which the leave will start
* the estimated or known length of the leave

Employees wishing to end their leave must give written notice, including the expected return to work date:

* as soon as possible for leaves of less than four weeks
* four weeks prior to their return-to-work date for leaves of four weeks or more

<Include any other details, requirements, or benefits that your brokerage may provide during this leave.>

### Notice of Absence/Vacation—Mortgage Licensees

Mortgage licensees are required to provide two-weeks’ notice in writing of any time away from their office. This written notice shall include specific departure and return dates and times, and the name of the brokerage mortgage licensee who will be managing their portfolio in their absence.

## Other Employment

Employees may wish to take on other projects outside their duties with <Brokerage Name>. Employees must inform the brokerage if they are taking on outside employment. We encourage employees to explore all their individual interests, but if the broker or supervisor finds that this external work is negatively affecting the employee’s performance with the brokerage, employees may be required to reduce or eliminate this project to maintain employment with <Brokerage Name>.

No employee shall take on work with another mortgage brokerage while employed with <Brokerage Name>.

Mortgage licensees must inform the brokerage of any outside activities and will be required to disclose any potential conflicts of interest as outlined in the *Real Estate Act* Rules.

## Worker’s Compensation

<Brokerage Name> carry’s coverage under WCB-Alberta for all employees, not including independent contractors.

Independent contractors are required to carry their own coverage and must provide written confirmation to the brokerage.

# Part 4: Workplace Standards

<Brokerage Name> is committed to providing a workplace built on respect, dignity, and safety, and expects all employees to act with courtesy and professionalism in all their actions as representatives of the brokerage.

For our purposes, the workplace is not limited to the brokerage office but extends to any interactions where the employee is acting in the role as representative of the brokerage, including offsite meetings, viewings, and open houses.

## Respectful Workplace Policy

(Note: A more detailed Respectful Workplace Policy template is available on [reca.ca](https://www.reca.ca/licensees-learners/tools-resources/guides-checklists/) in Brokerage Policy Templates)

All people are equal, deserve to be treated with dignity and fairness and have the right to work in a professional environment with equal opportunity and without fear of discrimination, harassment, or violence.

Any employee experiencing or witnessing discrimination, harassment, or violence in the workplace is expected to report this behaviour to the broker.

<Brokerage Name> will not tolerate any employee behaving in a way that may harass, discriminate against, or harm others and has a responsibility to investigate reports of these negative behaviours.

### For reference:

**Discrimination** is the unjust or prejudicial treatment based on a person's race, colour, ancestry, place of origin, political ideology, religion, marital status, physical or mental disability, physical appearance, age, gender, sexual orientation, or other real or perceived differences.

**Harassment** is aggressive pressure or intimidation. It can be but is not necessarily sexual in nature. It can be an escalation of discrimination or an attempt to coerce the victim to action or inaction based on the views or needs of the perpetrator.

**Violence** is a threatened, attempted, or realized action which causes or is likely to cause physical injury.

<Brokerage Name> encourages employees to promptly report any harassing, discriminatory, or violent behaviour so that appropriate action may be taken as soon as possible.

### Responding to and Investigating Complaints

Once harassing, discriminatory, or violent behaviour is reported, the broker will:

* keep a written record of the initial complaint
* keep the complaint confidential unless the complainant gives express permission otherwise
* advise the complainant of their rights to:
	+ make a written complaint
	+ be represented by any person of choice at any stage of the process
	+ withdraw from any further action in connection with the complaint at any stage (though the broker may continue the complaint)
	+ pursue other avenues of recourse, such as making a complaint under the Alberta *Human Rights Act* or *Criminal Code*

Where complainant does not wish to make a formal written complaint:

* the complainant may request the broker meet with the other party to obtain an apology and assurance that the offensive conduct will not be repeated
* the broker may meet with the alleged offender, regardless of the wishes of the complainant, if this can be done without disclosing, directly or indirectly, the identity of the complainant
* the broker may nevertheless make a written complaint if:
	+ there have been previous complaints against the alleged offender
	+ the brokerage has a responsibility to address the situation, such as where the alleged offender has previously given an assurance to not repeat previous offenses
* the supervisor will keep a confidential written record of any relevant discussions between the broker and alleged offender

Where the complainant wishes to make a written complaint, even where the broker believes that the conduct in question is not a violation of this policy, the broker will:

* assist the complainant in drafting a written complaint, which must be signed by the complainant
* immediately provide copies of the complaint to both the complainant and the alleged offender

Where the broker, broker delegate, or office manager decides to make a written complaint, even when the complainant does not wish to, they will:

* prepare and sign a written complaint
* provide copies of the complaint to the alleged offender and complainant
* provide the alleged offender with a copy of this policy
* inform the alleged offender of their right to have representation at any stage of the process

Any brokerage representative found to be violating the Alberta *Human Rights Act* or *Real Estate Act,* Rule 42 will face discipline—and potential termination of employment. This may depend on the severity of conduct, willingness to learn from or to change the conduct.

After an investigation, the broker will determine the next course of action dependent on the facts. This may include termination of the employee who is the subject of the complaint.

## Occupational Health and Safety

All workers in Alberta have rights under the *Occupational Health and Safety Act,* including the right to:

* **know** if there are duties or areas within their job or worksite that may expose them to danger
* **participate** in activities and discussions on health and safety in the workplace
* **refuse** dangerous work

A “worker” can be an employee of the brokerage, a third-party contractor at the brokerage, or any other person at a brokerage job site for work purposes.

If an employee is injured in the workplace, they must report the injury <enter to whom the injury must be reported or, if an incident report form must be filled out and submitted, include that information.>

<Employees unable to work due to an injury incurred at the workplace are entitled to compensation through <Brokerage Name>’s short-term disability benefit and/or Workplace Compensation insurance.>

<Brokerage Name> is committed to ensuring the safety of all employees is a priority.

### Health and Safety Representative

<This section is required for all brokerages that employ 5–19 workers. The brokerage may choose to remove this section if your brokerage has fewer than five workers or more than 19.>

As per Alberta’s *Occupational Health and Safety Act,* <Brokerage Name> has an employee Health and Safety Representative. This representative is chosen by the employees, not appointed by management. The representative is responsible for meeting regularly with the broker to discuss health and safety matters.

### Health and Safety Program and Health and Safety Committee (HSC)

<This section is required for all brokerages that employ 20 or more licensees and administrative staff at a single job site. You may choose to remove this section if your brokerage has fewer than 20 employees at a job site, which includes a virtual job site.>

As per Alberta’s *Occupational Health and Safety Act,* <Brokerage Name> has established a Health and Safety Program, including a Health and Safety Committee.

<Brokerage Name>’s Health and Safety Programs includes these 10 elements:

1. health and safety policy
2. hazard assessment and control
3. emergency response plan
4. statement of OHS responsibilities of the employer, supervisors, and workers at a work site
5. schedule and procedures for work site inspections
6. procedures for when another employer or self-employed person is working at the work site
7. health and safety orientation and training for workers and supervisors
8. procedures for investigating incidents, injuries, and refusals to work
9. procedures for worker participation in work site health and safety, including inspections and investigating incidents, injuries, and refusals to work
10. procedures for reviewing and revising the health and safety program

The Health and Safety Program includes a Health and Safety Committee. This committee is made up of staff and management representatives who are responsible for:

* addressing concerns and complaints about the health and safety of workers
* identifying and clearly communicating worksite hazards to workers or other persons
* developing, promoting, and evaluating measures to protect the health and safety of employees
* cooperating with Alberta Occupational Health and Safety Officers exercising duties under the *Occupational Health and Safety Act,* the Regulations, and the Code
* developing and promoting programs for education and information concerning health and safety
* making recommendations to the broker respecting the health and safety of workers
* investigating serious injuries and incidents at the worksite
* maintaining records on concerns and complaints received
* attending other matters relating to the duties of the committee
* performing additional duties as may be specified in the *Occupational Health and Safety Act,* Regulations and Code.

As required under the *Occupational Health and Safety Act,* <Brokerage Name> will support the establishment and work of the committee by:

* providing adequate resources, time, and training to help committees and representatives function effectively
* holding meetings and carrying out duties and functions during normal working hours
* posting the names and contact information of committee members and representatives where they are accessible to all employees

The Health and Safety Program is available to all brokerage employees as part of the orientation package.

### Safety

Mortgage licensees can find themselves in situations where they are alone, or in unfamiliar locations with people they do not know. Licensees can find themselves at risk for assault, robbery, and verbal abuse.

<Brokerage Name> encourages all employees who may find themselves working alone to use prevention strategies including a safety checklist and safe visit plan.

#### Safety Awareness Checklist

<The broker should create an appropriate checklist for scenarios that may occur in areas employees may find themselves working in, such as meetings in client’s homes, or other private places, travelling alone, or meetings in offices after hours, etc.

Additional situations to consider may include client behaviours to watch out for, specific locations, previous experiences, and the presence of dangerous items or animals. >

#### Safe Visit Plan

**When meeting a prospective or new client, mortgage licensees should:**

* **meet them in the office or a public space**
* **provide the brokerage with the name of the client and the location** of the meeting
* get the **make and model of the client’s vehicle if** meeting at a private place
* if meeting at the brokerage office before **taking a single vehicle** to an offsite location
	+ **consider having someone accompany** them to any offsite initial meetings
	+ always **keep their cellphone on hand** to call 911 if necessary
	+ **inform the brokerage when to expect to hear from them** or see them back in the office

<The Government of Alberta has developed checklists to assist in creating appropriate safe work plan. Download [Working Alone Safely: A Guide for Employers and Employees](https://open.alberta.ca/dataset/e16f72f5-25ca-457d-ab95-cab1259526a8/resource/7a9b2392-904c-4a9e-b6cb-299c136a304d/download/2485490-2000-09-working-alone-safely-guide-for-employers-and-employees.pdf) and see Appendix 1.2 and Appendix 1.5.>

<Brokerage Name> will compensate mortgage licensees for creating an emergency kit for their vehicles. This kit should include <brokers should complete the Checklist for Employees Who Travel Alone, Appendix 1.4 of [Working Alone Safely: A Guide for Employers and Employees](https://open.alberta.ca/dataset/e16f72f5-25ca-457d-ab95-cab1259526a8/resource/7a9b2392-904c-4a9e-b6cb-299c136a304d/download/2485490-2000-09-working-alone-safely-guide-for-employers-and-employees.pdf) to develop a policy/plan for their brokerage>.

## Personal Standards & Dress Code

To present a professional image, <Brokerage Name> has a business-casual dress code and expects all representatives to practice good hygiene.

Casual clothing such as baseball caps, casual tees, shorts, jeans with rips or tears, tank tops, flip flops, etc. are not acceptable for situations where employees are acting as a representative of the brokerage.

We appreciate that it may be necessary to make dress code allowances, due to religious or other reasons. The broker reserves the right to assess these situations on a case-by-case basis.

<The brokerage office is scent free. Employees are asked to refrain from wearing perfume or cologne and to keep other personal care scents to a minimum when in the office. Mortgage licensees meeting with the public are also advised to keep scent to a minimum, in consideration of allergies and other sensitivities.>

### Automobiles

If you are using your automobile to transport clients, you are expected to keep it neat, clean and in good mechanical order. You must maintain a current driver’s license, vehicle registration and commercial insurance. You must immediately notify the broker if your driver’s license is suspended or terminated for any reason. You must provide the brokerage with proof of your commercial insurance coverage annually.

### Substance Use

At no time, in capacity as a representative of <Brokerage Name>, are employees permitted to be under the influence of alcohol, cannabis, or illicit drugs. Employees taking prescription medications must take them as prescribed.

## Reliability

<Brokerage Name> employees are expected to arrive on time and ready to work according to their approved work schedule, or in the case of licensees at the brokerage, expected to arrive at the brokerage or client meetings promptly and prepared.

Employees are eligible for sick, vacation, and other leaves. If an employee will be absent from work for any reason, they must always notify their supervisor of the circumstances, in accordance with the applicable Leaves of Absence policy.

If an employee is consistently late or absent or is otherwise found to be abusing any leave policy, the broker may initiate disciplinary action.

## Grounds for Discipline

<Brokerage Name> retains the right to address, by discipline or dismissal, an employee’s unacceptable behaviours including:

* unsatisfactory performance
* absenteeism or lack of punctuality
* theft or fraud
* dishonesty
* unauthorized disclosure of information
* discrimination, harassment, or violence
* willful misconduct or disobedience of lawful and reasonable order
* conduct detrimental to the safe and proper business practices of the business or its employees

The disciplinary action taken will be determined by the severity of the situation. Written documentation will be prepared and kept in the employee’s personnel file.

## Employment Termination

### Employee-driven Termination

An employee who is not an independent contractor wishing to terminate their employment must give written notice, unless within the probationary period. The amount of written notice required by law depends on the length of employment:

* after probation, but under two years requires one week’s written notice
* two years or more requires two weeks’ written notice

Provided that the employee gives the required notice, the brokerage must pay all wages, overtime, general holiday pay, and vacation pay due to the employee within ten (10) business days following the termination of employment.

If an employee resigns without required notice, the brokerage must pay all wages, overtime, general holiday pay, and vacation pay due to the employee within ten (10) business days following the date on which the termination would have taken place if notice had been given.

An employee may terminate their employment without notice in the case of just cause and be entitled to the same rights as if they gave the required written notice. Circumstances that accommodate just cause include, but are not limited to:

* physical or mental health or safety is at risk by continuing to work
* unforeseen or unpreventable circumstances beyond the control of the employee prevents the employee from continuing to work
* the employee is being temporarily laid off and communicates their unwillingness to return later
* the employer reduces the rate of pay for wages, overtime, vacation, general holidays, or reduces the hours of work for full-time employees

Independent contractors must give the broker <two weeks> notice before they leave the brokerage, including when they are transferring to a different brokerage. When leaving the brokerage, the mortgage licensee must comply with the requirements in Part 6, Section 23 of this guide: Leaving the Brokerage.

### Employer-driven Termination

<Brokerage Name> is required to provide written notice of termination unless the employee is still within their probation period. The amount of written notice required by law depends on the length of employment:

* after probation, but under two years requires one week’s written notice
* two years or more requires two weeks’ written notice

In lieu of notice, the brokerage may grant a combination of written notice and termination pay instead. <Brokerage Name> will provide all wages, overtime, general holiday pay and vacation pay due to the employee within ten (10) days following the termination of employment.

<Brokerage Name> may terminate an employee without notice or termination pay in the case of just cause. Circumstances resulting in just cause include, but are not limited to, circumstances of fraud or theft.

While no notice or pay in lieu of notice is made, in the case of termination with just cause, <Brokerage Name> will provide all wages, overtime, general holiday pay and vacation pay due to the employee within ten (10) days following the termination of employment.

## Dispute Resolution

Amicable relationships between <Brokerage Name> employees and others are essential to our work.

We expect all employees to be accountable in their actions and advice, foster good will and cooperation, and deliver outstanding quality and results. We aim to exceed client expectations. We will do all of this while meeting your obligations to fulfill your fiduciary duties to each client.

If despite your best efforts a dispute should arise, <Brokerage Name> encourages representatives to communicate with the other party openly, and respectfully as the first course of action in resolving the issue.

Disputes requiring mediation should immediately be brought to the attention of the broker who will determine the best course of action.

### Disputes Within the Brokerage

Any disputes involving two or more employees of <Brokerage Name> must be brought to the attention of the broker who will:

* meet with each employee
* review relevant documentation.

At this point, the broker may reach a decision or may choose to hold a meeting with the employees to facilitate an agreement.

If the employees involved are not able to come to an agreement, the broker will come to a decision.

All decisions from this process will be final.

### Disputes with Consumers

Employees are required to immediately report to the broker all problems, complaints, and other circumstances, related to any <Brokerage Name> mortgage licensees’ conduct, activities, or services, which may lead to complaints, disputes, or controversies.

The broker, or other representative, will work to resolve issues directly with the individuals. The mortgage licensee will cooperate by supporting all efforts to resolve disputes.

Whenever possible, <Brokerage Name> will employ an alternative dispute resolution process.

If the broker cannot resolve a consumer complaint, the consumer will be advised of their right to file a complaint with RECA.

### Disputes with Mortgage Licensees at Another Brokerage

Mortgage licensees must bring to the immediate attention of the broker all disputes with licensees or clients of other brokerages.

The brokers of each brokerage will review the issues with licensees or clients and all related documentation. They will attempt to come to an agreement. If an agreement is reached, the decision will be final.

Should the brokers not be able to resolve the dispute, it may be moved to arbitration or mediation, or in cases of conduct deserving of sanction, referred to RECA.

### Voluntary Broker Resolution Process

The Voluntary Broker Resolution Process (VBRP) is the mediation initiative of RECA to resolve complaints against mortgage licensees involving breaches of the *Real Estate Act,* Rules, or Regulations.

Managed by the broker, this process requires the written consent of all parties. If the dispute is resolved through the VBRP, the official complaint is withdrawn and RECA terminates the investigation.

For more details on the VBRP visit [reca.ca](https://www.reca.ca/2011/04/29/new-voluntary-broker-resolution-process/).

### Arbitration

When a dispute of any kind is before the brokerage, it is at the sole discretion of the broker to settle, dispute, or arbitrate the issue. This applies to internal brokerage issues, brokerage-to-brokerage issues, and brokerage to consumer issues.

## Legal Action Against the Brokerage or Mortgage Licensee

Mortgage licensees of <Brokerage Name> are required to inform the broker of any legal actions, threats of legal actions, or of any anticipated claims—against themselves and/or the brokerage—so that the broker may:

* give notice to RECA, as required, the brokerage Errors & Omissions insurer, and any other third-party insurer
* attempt to mitigate the issue and prevent it from progressing further
* consult its own legal counsel

If a criminal charge under the Criminal Code is laid against a licensee employed by the brokerage, the licensee must notify the brokerage and also notify the Executive Director of RECA immediately (within five days) of the charge being laid.

Mortgage licensees must obtain written permission from the broker and indemnify the brokerage for costs or damages arising out of the action before initiating any legal action that results while dealing in mortgages.

### Legal Counsel Involvement

The brokerage is responsible for defending any claim against it and its representatives. The broker will decide when a complaint needs to involve the brokerage’s legal counsel.

Where commissions are involved in a claim, the expense of defending the claim may be deducted from the gross commission before any commission split takes place or as agreed.

Should the claim be the result of the representative knowingly contravening the *Real Estate Act*, the Rules or the information contained within this Brokerage Policies & Procedures Manual, the full cost of the legal defense will be the responsibility of the mortgage licensee.

Claims or legal actions against a licensee may have an impact on the continuation of a mortgage licensees’ licensing. It may also affect their employment or contract status with <Brokerage Name>.

## Business Continuity Management

<Brokerage Name> has implemented a business continuity management plan to protect the business of the brokerage. This includes plans for the relocation of the office should a serious event—such as a fire—occur. It also includes off-site and backup storage of all electronic records.

Should a business interruption occur, mortgage licensees will assist the broker in taking the necessary steps to recover from the event and return the brokerage to normal operations, e.g., compiling files in their possession to help recover lost records.

Mortgage licensees are expected to be familiar with the business continuity management plan, <Insert the plan below or describe how it is accessed, e.g., file path on network, in hardcopy in an employment binder>.

# Part 5: Privacy and Confidentiality

Protection of information is both a professional and legal obligation.

Protection of personal information is governed by the Alberta *Personal Information Protection Act* (PIPA), the Federal *Personal Information Protection and Electronic Documents Act* (PIPEDA).

There is a requirement as well to comply with the *Real Estate* *Act,* Rules, and brokerage policies regarding confidentiality of all sensitive, financial, and other business information.

## Employee Information and Privacy

<Brokerage Name> maintains a confidential personnel file for each employee. In accordance with Alberta’s *Personal Information Protection Act* (PIPA), these files can only be accessed by the broker, the supervisor, and the employee. If an employee is reviewing the original copy of their file, the broker or supervisor is required to remain in the room to ensure no parts of the file are removed.

It is the employees’ responsibility to ensure their file remains up to date by informing the brokerage of any changes to their personal information.

The brokerage must get approval from the employee before allowing others to review the employee’s personnel file.

### Personnel Files

Employee files will include the employee’s:

* full name
* Social Insurance Number
* personal address and contact information
* name and phone number of the primary emergency contact
* resumé as submitted in application
* signed offer of employment, detailing
	+ position title
	+ employment start date
	+ remuneration details, including amount and term (e.g., $70,000 annual salary)
	+ job level or categorization within the brokerage
	+ probation period expiry date
	+ benefit and vacation eligibility and details
	+ terms or conditions of employment
* job description
* signed confidentiality statement
* signed CRA taxation declaration (TD1)
* record of salary increases
* completed and signed performance appraisals
* criminal record check\*
* names of dependents <if required for benefits purposes>
* <list other pertinent information the brokerage will need to effectively manage employees>

\*<Brokerage Name> <will/will not> reimburse the cost of obtaining the criminal record check. <Employees must submit their receipt accompanied by any applicable paperwork to accounting.>

As per the Alberta Employment Standards Legislation*,* the brokerage will retain the personnel files of former employees whether the employee resigned, retired, or was terminated, for a minimum of three years following employees’ last date of employment.

### Release of Information

The brokerage will not provide access to or disclose employee information, even when contacted as an employee reference, if it violates:

* Alberta’s *Personal Information Protection Act*
* an individual’s right to privacy, unless required by law or by express written consent of the individual

The brokerage will only confirm if the individual has or has had a relationship with <Brokerage Name>.

## Customer and Client Information

<Brokerage Name> only collects information necessary to facilitate mortgage transactions or otherwise provide professional and competent service to its clients and customers.

### Protecting Information

Sensitive information must be protected and secured during collection, processing, storage, and disposal. Hardcopy documents should be locked in a secure cabinet when not in use. Electronic documents should be secured with passwords that comply with the brokerage standards and current cybersecurity best practices.

Employees should only discuss the details of a transaction with the mortgage licensee involved in the transaction. They should ensure that conversations do not take place in the presence of others.

Administrative assistants employed by mortgage licensees must sign confidentiality agreements and are required to adhere to the same privacy requirements as other employees of <Brokerage Name>.

### Consent – Employee Responsibilities

Mortgage licensees must obtain the express written consent of the client or customer to collect, use, and disclose sensitive information, including contact information.

Any licensee using client information for a purpose that extends beyond the consent already provided (e.g., soliciting sales) must obtain additional consent from the client.

Client information held by the brokerage will not be disclosed to third parties without the consent of the client, unless required by law. Requests for information by law enforcement officials, lawyers, private investigators or other agents or subpoenas for documents issued by the court must be referred to the privacy officer.

#### Information verification

<Brokerage Name> has origination standards agreements with many lenders that require the brokerage to take reasonable steps to verify information before submitting a mortgage deal to a lender.

Mortgage licensees are expected to: <Brokerage should insert their expectations for information verification. RECA and Mortgage Professionals Canada (MPC) have Origination Guides to assist brokerages in developing this section>

## Privacy Officer

<Brokerage Name’s> privacy compliance officer is <Insert name of applicable employee> and is responsible for:

* establishing and updating protection policies
* evaluating and encouraging compliance with the policies and implementing corrective measures
* ensuring policies are implemented by organizations to which functions involving private data are outsourced e.g., CRM programs
* establishing criteria for classification of information
* educating employees on the importance and implementation of information protection
* resolving consumer privacy complaints to the satisfaction of the consumer. See Disputes with Consumers
* responding to requests for access to and correction of personal information
* assisting the Office of the Information and Privacy Commissioner during investigations of privacy complaints against the organization

### Record Retention Policy

All representative records related to mortgage deals—successful or not—of <Brokerage Name> are the property of the brokerage. Licensees of <Brokerage Name> are responsible for guaranteeing all records are provided to the brokerage immediately after they are executed and are safeguarded as per brokerage policy and legislation.

|  |
| --- |
| Record Retention Regulations & Recommendations |
| **Regulating Body** | **Document Types** | **Retention Requirements (years)** |
| Real Estate Council of Alberta | All transaction documents | 3 |
| Canada Revenue Service | All financial and trade records | 7 |
| Errors & Omissions Provider | <All transaction document>s | <10> |
| Statute of Limitations  | All transaction documents | Depends: 2 or 10 (10 recommended) |

<Brokerage Name> retains transaction documents for <insert #>years, after which the brokerage will securely destroy the documents.

Please see page 37 regarding electronic file storage.

# Part 6: Mortgage Licensees’ Responsibilities and Guidelines

<Brokerage Name>’s Service Quality and Specialization requirements are outlined in Part 2. The same principles apply to geographic location of properties being financed.

The brokerage expects licensees to only deal in mortgages in Alberta locations where they have knowledge and experience with local conditions.

Mortgage licensees must have the approval of the broker and be licensed in the other jurisdiction to carry out any mortgage deals outside of Alberta. If a mortgage licensee has a deal in another Province where they are not licensed, the broker will assist in finding a way to getting the deal handled by a properly qualified, and licensed individual.

## Communications with the Brokerage

Mortgage licensees are required to respond promptly to broker or brokerage inquiries, as stipulated in *Real Estate Act* Rule 69(f).

Licensees must also inform the broker and RECA immediately if they have changed their name, or are the subject of disciplinary, financial, professional, or criminal proceedings as outlined in *Real Estate Act* Rule 40.

Mortgage licensees are expected to provide a cell phone number where they can reliably be reached by representatives of the brokerage. Calls that come into the brokerage will be forwarded to this number.

## Licence, Registration and Membership

Joining the brokerage:

* **new applicants**—once the broker has initiated the licensing application, the applicant must complete the registration process in myRECA. Fees will be paid by <Brokerage Name or the Applicant>. Once they have completed their portion of the registration, <Brokerage Name> will complete the online registration process.
* **transfers from another brokerage**—must either terminate their registration with their current brokerage or have our broker initiate the registration transfer by sharing their myRECA username.
* **myRECA** – when completing a new application, transfer or renewal, licensees must accurately and honestly complete the suitability questions.

Licensees new to or renewing with <Brokerage Name> must ensure their registration is active on myRECA prior to conducting any activity that requires a licence (i.e., dealing in mortgages). Once they are active, licensees must keep their information current in their myRECA account including their personal e-mail address and phone numbers.

### Annual Renewals

Licensees representing <Brokerage Name> are required to keep their licence to deal in mortgages in good standing.

<Brokerage Name> expects licensees to complete the myRECA renewal process, required education, and submit the fees by September 30th each year. We encourage licensees to complete any RECA required Re-Licensing Education courses as soon as they are available to stay as current as possible on all aspects of the industry.

## Brokerage Sales Meetings

<Brokerage Name> holds regular sales meetings from <start time> to <end time> every <day of the week/or at which frequency the meetings are held> at <the brokerage office OR name and address of offsite location>.

Sales meetings are mandatory for licensees, who are expected to show up prepared to participate in discussions. These meetings provide a venue for fostering teamwork and discussing any pertinent issues. Other topics that may be covered during sales meetings could include:

* current market conditions
* review of mortgage rules and regulations (RECA, OFSI, etc.)
* ideas to improve marketing methods
* new mortgage commitments and methods of financing
* new lender products, product changes and new lenders
* mortgage default insurer policies and programs
* detecting and dealing with mortgage fraud
* sales contests
* ethics, policies, and procedures

Mortgage licensees must inform the broker in advance if they are unable to attend a sales meeting.

## Insurance

<Brokerage Name> will maintain general property and liability insurance for the brokerage facilities and activities.

### Vehicle Insurance

Mortgage licensees must maintain liability insurance, with a commercial rider and a minimum of $2,000,000 coverage, on any vehicle used to attend meetings with and/or carry customers and clients. Licensees must provide proof of this coverage annually to the brokerage.

### Business Liability

If you operate an office in your home where you meet customers and clients, you must maintain business liability coverage on your home.

## Unlicensed Assistants

Mortgage licensees <may/may not> hire an unlicensed assistant to carryout administrative functions on their behalf. All expenses related to a licensees’ assistant, such as salary and stationary supplies, are the responsibility of that licensee.

<Brokerage Name> prohibits the use of brokerage name or branding on any business cards or other marketing materials for use by unlicensed assistants. <Brokerage Name> also prohibits unlicensed assistants from appearing in any brokerage marketing or advertising unless they are clearly identified as an unlicensed assistant.

**Assistants and their supervisors must comply with the requirements of the *Real Estate Act* Rules:**

* **at no time are unlicensed assistants to carry out any mortgage dealing activities**
* **assistants must always identify themselves, or be identified, to the public and other licensees, as unlicensed assistants to the mortgage associate**
* **associates must have written consent from the broker before hiring an assistant, and <Brokerage>reserves the right to require the associate to terminate the assistant due to misconduct, if necessary**
* **assistants must sign a confidentiality agreement acknowledging their commitment to keeping confidential all information they deal with in connection to their responsibilities as an assistant**
* **mortgage licensees must work with the broker to develop a job description for the assistant which outlines the tasks that unlicensed assistants may perform**

For a list of tasks that unlicensed assistants can and cannot carry out, download the “[Assistants –Mortgage Brokerage](https://www.reca.ca/wp-content/uploads/PDF/Assistants-Mortgage-Brokerage.pdf)” Information Bulletin from reca.ca.

## Education and Training

Licensees are encouraged to take advantage of every opportunity to develop their knowledge and skills. Through <Brokerage Name> you have access to <insert any brokerage or franchise training programs>.

You must also stay up to date on the regulatory requirements of the *Real Estate Act* and Rules, by:

* completing the Re-Licensing Education courses RECA requires, in a timely fashion
* accessing resources online through blogs, videos and on various social media platforms

<Brokerage> encourages membership in professionals associations such as Alberta Mortgage Brokers Association (AMBA) and Mortgage Professionals Canada (MPC) because there are several professional development opportunities available, including information updates, videos, newsletters, and best practice tips as well as seminars.

<Brokerage> also provides professional development days and conferences and strongly encourages its licensees to attend those events.

## Consumer Relationships

Mortgage licensees are required under the *Real Estate Act* Rules to ensure the role of the licensee is clearly understood by their clients, customers, and third parties.

Information Bulletin [Mortgage Brokerage Relationship Options](https://www.reca.ca/wp-content/uploads/PDF/Mortgage-Brokerage-Relationship-Options.pdf) is available on reca.ca. It explains the relationship options mortgage brokerages can have with borrowers and lenders and the requirement to clearly explain their role to borrowers and lenders.

### Representing the Borrower

When <Brokerage Name> is representing the borrower, the mortgage licensees’ responsibilities to the borrower are to:

1. be honest
2. exercise reasonable care and skill
3. advocate for the borrower and to promote their best interests
4. not appoint another brokerage as sub-agent without their prior written consent
5. advise the lender of any product the borrower is interested in that we are the borrower’s agent
6. assist the borrower in negotiating favourable terms and conditions with lenders and with preparing and complying with a legally binding mortgage agreement
7. disclose the possible risks, issues, and options of the mortgage before the borrower signs a mortgage commitment
8. be loyal, and to hold the borrower’s information confidential, and to tell them of all conflicts of interests that may arise between their interests and those of the lender
9. obey the borrower’s lawful instructions
10. gather their intended property and financial information to determine the mortgage options available to them
11. disclose, explain, and recommend suitable mortgage options for their consideration
12. advise when they should obtain independent advice on matters of importance to them
13. complete and submit documentation to the lender; and
14. keep the borrower informed of the progress of their application
15. account for all money received from the borrower

When <Brokerage Name> is representing the borrower, the mortgage licensees’ responsibilities to the lender are to:

1. be honest
2. exercise reasonable care and skill

### Acting as an Intermediary

When <Brokerage Name> acts as an Intermediary, the mortgage licensees’ responsibilities to the borrower are to:

1. be honest
2. exercise reasonable care and skill
3. obey the borrower’s instructions as long as they are consistent with the terms of the service agreement
4. gather their intended property and financial information to determine the mortgage options available to them
5. disclose and explain mortgage options for their consideration
6. tell them all material facts that we know relating to the suitability of the financial institution’s product
7. provide mortgage agreements and other important documents to them
8. complete and submit documentation to the financial institution
9. provide the names of real estate associates, real estate appraisers, insurance agents, or other service providers, but we will not recommend any particular professional, and
10. tell the financial institution as quickly as possible all information the borrower wishes to have us tell them, and
11. keep the borrower informed of the progress of their application

When <Brokerage Name> acts as an Intermediary, the mortgage licensees’ responsibilities to the financial institution are to:

* 1. be honest
	2. exercise reasonable care and skill
	3. obey their instructions as long as they are consistent with the terms of the service agreement
	4. complete and submit documentation to the financial institution
	5. take reasonable steps to verify information and documentation as part of the application process <depending on the lender’s expectations>
	6. tell them all material facts that we know relating to your ability to pay the mortgage
	7. tell the borrower as quickly as possible all information the financial institution wishes to have us tell the borrower, and
	8. keep them informed of the progress of your application

### Representing a Private Individual Lender

When <Brokerage Name> deals directly with a private individual lender we must represent that lender. Representing private lenders may not be covered by the Brokerage Errors and Omissions Insurance. Licensees must check with the broker prior to representing private individual lenders.

<Brokerage Name> <does> <does not> offer services to individuals participating in syndicated mortgages. Licensees must consult with the broker prior to being involved in any mortgage syndication activities.

When <Brokerage Name> represents a private individual lender, the mortgage licensees’ responsibilities to the individual private lender are to:

* 1. be honest
	2. exercise reasonable care and skill
	3. advocate for the individual private lender and to promote their best interests
	4. advise the borrower(s) that we are the individual private lender’s agent
	5. not appoint another brokerage as sub-agent without the individual private lender’s prior written consent
	6. use best efforts to recommend mortgage proposals suitable to the individual private lender’s investment objectives and risk tolerances; and if the agreement is of an ongoing basis, to review their investment objectives and risk tolerances annually
	7. obey the individual private lender’s lawful instructions
	8. be loyal, to hold the individual private lender’s information confidential, and to tell them of all conflicts of interests that may arise between their interests and those of the borrower(s)
	9. use our best efforts to verify the individual private lender’s and the borrower’s(s’) identities
	10. disclose and explain all relevant facts and risks about mortgage lending proposals, and recommend suitable mortgage lending proposals for the individual private lender’s consideration
	11. complete and submit documentation to the borrower; and
	12. keep the individual private lender’s informed of the progress of their financing proposal
	13. provide a full accounting of all the money we receive relating to the transaction(s) including fees we receive from the borrower
	14. disclose actual and potential costs, loan terms, property description, and analysis
	15. advise the individual private lender when they should obtain independent advice on matters of importance to them
	16. provide competent underwriting services as specified by the individual private lender

When <Brokerage Name> represents an individual private lender, the borrower is a customer and must sign an Acknowledgement and Consent to be a customer, or they can choose to be represented by another brokerage.

### Borrower is a Customer

When the borrower is a customer, the mortgage licensees’ responsibilities to the customer are to:

1. be honest
2. exercise reasonable care and skill
3. provide the borrower with correct information
4. gather information on the property the borrower wants to finance and their financial situation
5. explain the individual private lender’(s) mortgage options
6. complete and submit documentation to the private lender as the borrower instructs
7. keep the borrower informed of the progress of the transaction
8. communicate information between the private lender and borrower in a timely way
9. hold all money received from the borrower under the provisions of the *Real Estate Act;* and
10. provide the borrower with a copy of this Customer Status Acknowledgment and Consent before providing private lender proposals

## Written Service Agreements

Mortgage licensees must:

* complete a written service agreement with all clients before facilitating any transactions
* use the appropriate service agreement based on the client’s needs:
	+ representing the Borrower Service Agreement
	+ acting as an Intermediary Service Agreement
	+ Borrower Consent and Disclosure When you Represent the Lender (typically private lender) acknowledging customer status
* review in detail the service agreement (and all other agreements) with the consumer
* immediately provide a copy of the signed agreement to the client

Refer to the previous sections for the differences between relationship options and the Information Bulletin [Mortgage Brokerage Relationship Options](https://www.reca.ca/wp-content/uploads/PDF/Mortgage-Brokerage-Relationship-Options.pdf) on reca.ca for more explanation of the different relationships.

Copies of service agreements can be found < on the brokerage network/on reca.ca on the Forms page under Licensees and Learners>.

## Trust Money

In accordance with the *Real Estate Act,* all monies received in trust as part of a mortgage deal must be deposited into a trust account.

**Option 1**

**Brokerage does not have a trust account**

<Brokerage Name> does not have a trust account since our primary business is residential mortgages where fees are not refundable and are paid to the brokerage when a deal is funded.

<Brokerage Name> does not allow deals where any refundable or partially refundable fees are collected up front.

<Brokerage Name> does not allow mortgage administration activities where payments are collected by the brokerage on behalf of a lender.

OR

When brokerage licensees are contemplating a commercial mortgage deal where a fee is to be paid and is wholly or partially refundable, these deals must be discussed with the broker before any money is paid to the brokerage. Arrangements may be made by the brokerage to have the refundable money held in a lawyer’s trust account.

Similarly for deals where the brokerage is representing a private lender, all funds held on behalf of the lender must be held in a lawyer’s trust account arranged through the brokerage.

**Option 2**

**Brokerage has a trust account**

<Brokerage Name> has a trust account for deals where fees are paid to the brokerage prior to the deal completing and all or a portion of the fee is refundable. Refundable fees are held in trust on behalf of the borrower.

Prepaid fees are only permitted for commercial deals.

<As part of the brokerage’s mortgage administration activity, the brokerage collects payments from borrowers on behalf of lenders. This money must be held in the brokerage’s trust account(s) until it is paid to the lender(s).>

Mortgage funds should be sent directly from lenders to the lawyer handling the mortgage registration.

Trust funds must be deposited by the brokerage <or by the mortgage broker licensee depending on brokerage policy> within three business days of receipt.

Improper handling of deposits includes failing to deposit trust money by the specified time, falsely reporting the receipt of a deposit and is grounds for immediate dismissal of a mortgage licensee. Additionally, <Brokerage Name> must report all instances of mishandling or misrepresentation of trust money to the Real Estate Council of Alberta.

### Terms of Trust

The conditions under which the trust exists are commonly referred to as the terms of trust. The terms of trust contain information about: (the list is illustrative and not exhaustive)

* Who is the trustee
* Where the money is held
* Forms of payment accepted
* Fees to be deducted by the brokerage
* Dispute resolution process
* If interest is to be paid and to whom
* When the money is earned or when it is to be refunded
* How money is disbursed
* What fees the brokerage can pay from trust on behalf of lenders (mortgage administration)

Before trust money is received, the terms of trust must be documented in writing and agreed to by all parties to the mortgage deal. Terms of trust for <Brokerage Name> are contained in <specify the documents your brokerage uses for terms of trust>.

**Note:** Terms of trust are usually contained in written service agreements with commercial mortgage borrowers and mortgage administration (lender) clients. If the relationship is non-representative, a customer status acknowledgement is required, and terms of trust can be separate or part of the customer acknowledgement.

Terms of trust are a <Brokerage Name> responsibility and can only be amended by the broker.

<specify if your brokerage has a different policy>

### Forms of Payment

Mortgage broker licensees must immediately issue the buyer a receipt for cash deposits/payments and remit the cash to the brokerage.

OR

<Brokerage Name> does not accept cash deposits. Mortgage broker licensees must advise clients to provide a cheque, money order, bank draft or electronic deposit. If the deposit is provided electronically, it must be in a format that is restricted to direct deposit to the brokerage’s trust account.

### Interest on Deposits

All interest earned on trust money will be paid by <Brokerage Name> to the Alberta Real Estate Foundation (AREF) in accordance with the *Real Estate Act* and *Rules*, unless otherwise directed in the terms of trust.

### Insufficient Funds

When trust money held on behalf of a lender is a refundable deposit fee which is returned to the brokerage for insufficient funds, or any other cause, the mortgage broker licensee must immediately inform the lender and the brokerage. It is the lender’s decision how to they will handle a new deposit.

If the refundable deposit is held on behalf of the borrower to be paid to the brokerage upon deal completion, then the brokerage will decide how to proceed.

<Brokerage name>’s policy is …<insert brokerage policy on next steps (e.g., The borrower is required to provide a bank draft for the deposit amount plus a fee within X number of days or the contract will be terminated)>.

When returned trust money is a mortgage payment collected on behalf of a lender, the mortgage broker licensee must immediately inform the lender and the brokerage. The brokerage’s actions to collect the returned mortgage payment will be dictated by the written service agreement with the lender, or by specific written instructions from the lender.

### Post-dated Cheques

<Brokerage Name> will not accept post-dated cheques without the express written consent of the lender.

### Terminated Deals

In the case of a terminated deal, <Brokerage Name> will make out the return cheque or bank transfer to the name of the borrower(s) as indicated in the terms of trust unless otherwise directed in writing by the borrower. The brokerage will not return funds until the original deposit cheque has cleared the brokerage trust account.

### Disbursements

Mortgage payments received on behalf of a lender will be sent to the lender<weekly, monthly, etc.> according to the terms of trust and will be paid either by cheque or bank transfer as agreed with the lender.

Written service agreements with lenders will outline the brokerage responsibilities for maintaining tax accounts, legal remedies in case of default, and property maintenance and disposition in the cases where the lender becomes legally responsible for sale of the property. The terms of trust will include if these fees are to be paid from the trust account.

All fees paid on behalf of a lender (e.g., legal fees, property taxes, maintenance, etc.) will be paid by cheque or bank transfer to the service provider.

### Trust Account Disputes

Any disputes regarding money in trust must immediately brought to the attention of the broker. When a dispute arises, brokers must comply with the terms of trust and attempt to resolve trust disputes as quickly as possible.

*Note: Brokerages with trust accounts should have a dispute resolution process. The Mortgage Broker’s course material contains information on handling Trust Account Disputes. Also see RECA Information Bulletin TRUST MONEY DISPUTES AND DISBURSEMENTS.*

### Trust Account Reconciliation

<Brokerage Name> must prepare proper reconciliations within 30 days of the prior month’s bank statements for all brokerage trust accounts where money is held in trust.

The reconciliation will determine if the brokerage:

* has on account in trust all the required trust moneys, i.e., none of the trust money is missing
* operating funds are maintained separately from trust funds. (If the brokerage monies are comingled with trust monies the trust account can lose its trust status)

<Brokerage Name> reconciliations are prepared by <specify the trained staff position/person or external contractor> and reviewed by the broker within 30 days of the prior month’s bank statements.

### Trust Account Shortages

A trust shortage must be funded by <Brokerage Name> as soon as the brokerage becomes aware of it.

Shortages in the brokerage trust account must be reported to RECA when either the brokerage is unable to fund the trust shortage, or the brokerage is unable to determine the full extent of the trust shortage.

## Taking an Application

The brokerage is accountable and will hold the mortgage licensee responsible, for the accuracy of information. Lenders expect the brokerage to present complete details on each transaction. Mortgage licensees’ thoroughness or lack of thoroughness reflects on the brokerage which in turn could impact other licensees within the brokerage.

Licensees should record notes or confirm via e-mail all pertinent discussions with clients, lenders, and other parties to a deal, whether in person, phone calls, Facetime, text messages, or other digital means of communication.

Mortgage licensees must perform their due diligence in ensuring:

* borrowers have the financial capacity to qualify for the mortgage
* borrowers have verifiable source of down payment
* and all other due diligence for the transaction

### Application Process

Mortgage licensees must discuss the following with potential clients:

* brokerage information:
	+ <Insert brokerage details that must be covered>
* relationship options and appropriate service agreements
* consent to get credit reports and share information as necessary
* consent to maintain information and ongoing contact (privacy & CASL compliance)
* the fee arrangements
* borrower’s financial situation
* possible suitable mortgage options
* required documentation
* <Add any other items which your brokerage requires e.g., creditor insurance, ancillary products>

After the discussion, mortgage licensees should get a completed application, signed service agreements and consents (usually in one document) and all supporting documents.

It is important to get documentation before submitting to lender, even for pre-approval. When obtaining documents, licensees must use the most secure method available. For example, many systems have secure portals for customers to upload documents. If the licensee uses cloud services such as Dropbox and Google Drive, they must ensure the borrower is aware the information may be stored outside of Canada. Although e-mail is commonly used to send and receive documents, it is not the most secure method of transmitting personal and confidential information; secure portals should be used wherever available.

## Lender Submissions

The mortgage licensee will review the application and supporting documents, pull credit information and underwrite the mortgage loan request to determine if the borrower is eligible for financing.

If the borrower is not eligible for financing, inform the borrower in writing.

If the borrower is eligible, proceed to select a suitable product, discuss lender options with the borrower and proceed to lender submission.

The brokerage’s and each licensees’ reputation with lenders is critical. Mortgage licensees must:

* understand and follow the lender’s service agreement with the brokerage or if there is not one, understand and follow the lender’s origination standards
* take steps to verify that the file is reasonable – documents are consistent, employment/ income make sense, down payment can be verified, loan purpose is rational, investigate any fraud red flags, etc.
* if a licensee suspects fraud, they must discuss this with the broker to determine the appropriate next steps
* review property information for any issues – condominium documents, construction components (e.g., post tension cable, acreage issues, aluminum wiring, and other known lender “hot buttons”), size (lenders often have minimum size requirements)
* confirm the property value is reasonable based on your market knowledge
* submit a complete application with supporting documents and explanatory notes
* always treat lender staff with respect, regardless of how frustrating the situation
* follow the lender’s escalation process if needed

<Brokerage> uses <name of system> to submit applications to most lenders. If a lender is not available on <name of system>, discuss with the broker before submitting. This is necessary to ensure the lender is reputable and capable of funding the mortgage and that the submission process is acceptable.

## Mortgage Commitment

Lender commitments usually have conditions the borrower must satisfy before the commitment expires. Licensees must ensure borrowers understand the terms of the commitment and what they need to do to satisfy the conditions prior to the deadline. Failure to complete the terms of the commitment prior to the expiry date could result in the lender changing terms or even withdrawing their commitment.

Mortgage licensees must:

* explain the terms of the commitment and ensure the borrowers agree it describes an acceptable and suitable mortgage
* obtain the borrowers’ signatures as required by the lender
* ensure the borrowers understand what they need to do/provide and the timelines to satisfy the lender’s conditions
* explain their responsibility to decide to remove financing conditions for purchase transactions
* discuss the various types of insurance required or available (default insurance, property and casualty insurance, title insurance, <creditor life and disability>).
* advise the borrowers of the consequences of making changes to their financial/credit situation prior to the mortgage funding, i.e., the lender will likely check employment and credit so they should not change jobs or take on new credit

When reviewing the commitment, it is a best practice to have the borrowers sign the document as well as initial each page. If there are any unusual clauses e.g., payout restricted to sale only or extra payout penalties, a best practice is to have the borrowers initial the specific clauses.

Once the commitment terms and conditions have been met, licensees must explain the next steps. Typically, they will be meeting with a lawyer, or in some cases a fulfillment company to sign the appropriate documents and arrange for the required down payment or other money to be remitted.

Mortgage licensees should diarize the closing the date and follow up with the borrowers at least two weeks prior to the closing date to confirm they have been contacted by the legal professional.

## Compensation

Once the loan has funded, the lender will send the commission to the brokerage.

If the borrower is paying a fee, it should be paid to the brokerage based on the fee agreement. Often the borrower fee is coming out of the loan proceeds. In these cases, obtain a Direction to Pay form <from the broker/company website>and have the borrower sign it authorizing the brokerage, lender, and lawyer to pay the brokerage from the loan proceeds.

Additional fees sometimes come from other sources. Examples are fees from a referral to another service provider (e.g., insurance, financial planner, real estate licensee), sale of creditor life and disability insurance, credit cards and similar ancillary services. When licensees earn **any additional fees, they must be paid to the brokerage.**

The brokerage will pay the licensee after receiving a complete compliance package.

## Compliance Process

Keep all records created and received during a mortgage deal. This includes all paper and electronic documents, including notes, emails, and texts between your brokerage, clients, other licensees, and lenders.

Even if a deal does not close, or you have not reached the point of signing a service agreement with a potential client, keep every record up to that point.

<Brokerages should insert their compliance process referencing any checklists and manual or electronic submission and review systems>

## Document Retention

<Brokerage> record retention policy on pages 24 and 25 outlines the brokerages record retention time for various types of files.

### Electronic Files

<Insert brokerage policy on electronically storing transaction files for example:

<Brokerage Name> does not store transaction documents electronically. If documents have been received electronically, they must be permanently deleted from the network and electronic records (e-mails, text messages, etc.) after printing for the file.

OR

Transaction files will be stored electronically. Licensees must scan and upload all relevant documents to the network within <insert number of days by which files should be uploaded> days of their receipt. Once the files have been uploaded to the network, all local electronic documents and hardcopies must be destroyed in a secure manner (i.e., confidential shredding) within <# > of days.

It is important to upload any files that did not complete, whether they were declined and cancelled or simply did not proceed.

## Other Considerations

### Internal Cooperation

The brokerage expects that mortgage licensees will make the best interests of the client a priority.

If a client expresses their intention to work with a fellow brokerage associate, mortgage licensees will inform the brokerage and the named associate of the clients’ decision. The initial representative may negotiate a referral fee with the new associate or broker depending upon the circumstances of the situation.

<Brokerages may have a more detailed procedure for dealing with clients wishing to change representatives. If so, insert it here>

Any changes to the original service agreement are to be documented.

### External Cooperation

Occasionally a client’s needs are better served by another brokerage, either because <Brokerage Name> does not have access to a particular lender, or does not possess the required competency, or is not licensed in a particular jurisdiction. Mortgage licensees should consult with the broker to determine the best course of action. It may be a co-brokerage arrangement or a simple referral depending on the client’s preferences and instructions.

## Property Research

### Title Searches

<Brokerage Name> suggests licensees complete a property title search on the borrower’s property. This is particularly important when the application is for a refinance transaction because a real estate licensee is not involved.

Mortgage licensees should review current and historic titles to identify:

* any health hazard notices on title
* other registrations which might impact financing e.g., liens, second mortgages, judgements, etc.
* potential evidence of
	+ mortgage fraud (multiple recent transfers)
	+ foreclosure risk
	+ other registrations such as easements which may impact eligibility for financing

## Personal Dealing in Mortgages

To avoid any real or perceived conflicts of interest, licensees must advise the brokerage, whether borrowing or lending, through the brokerage.

If processed through the brokerage, <Brokerage Name> <will not take a split /will take a reduced split > on personal deals of primary and vacation residences, or commercial properties.

Licensees must disclose in writing to any borrower or lender when they are in a conflict by representing someone, they are closely associated with such as a family member or business partner. This also applies when representing persons closely associated with someone with whom they are closely connected.

Written disclosures must cover all pertinent information as outlined in the *Real Estate Act* Rules, section 75.

## Legal & Other Professional Advice

Licensees must advise consumers to seek expert advice when necessary, e.g., legal, financial, inspections. Employees of <Brokerage Name> must never give advice or hold themselves as experts on any issue in which they do not have the proper qualifications.

Employees are required to document any instance of a client or customer refusing to seek legal advice.

## Advertising & Marketing Materials

Advertising includes any activity, public notice, or representation a licensee makes or that someone makes on behalf of a licensee that promotes the licensee or their services.

#### All advertising, including individual associate websites must

* clearly indicate the brokerage name
* be approved by brokerage management
* comply with the requirements of the *Real Estate Act* and the Rules. [Advertising Guidelines](https://www.reca.ca/wp-content/uploads/2019/08/advertising-guidelines.pdf) - a summary of these requirements can be found on reca.ca under Professionals & Learners Tools and Resources
* include the licensees’ name as it appears on their licence (or RECA registered “AKA”) whenever using a team name or personal branding name
* be changed if the brokerage requests a change
* comply with corporate graphic standards including
	+ <insert applicable graphic standards>
* comply with franchise requirements
	+ <insert applicable graphic standards>
* be written in plain language
* have the client’s consent where applicable, for example testimonials
* use trademarks properly, according to the stated standards
* not exaggerate or contain any false or misleading statements
* not violate Canada Anti-Spam Legislation (CASL) or the National Do Not Call Legislation

#### Mortgage licensees must not

* use a competitor’s brokerage name in general advertising. This includes using competitor’s brokerage name or franchise name within meta data of personal websites

### Marketing Materials

All personal marketing materials, unless otherwise indicated, are at the expense of the licensee.

### Business Cards

<Brokerage Name> will provide <insert quantity> standard business cards per <Insert time interval, e.g., three months, year, etc.>. Charges for additional cards, cards printed on more expensive materials, etc. will be charged back to the licensee.

### Teams

Before any <Brokerage Name> mortgage licensees—with or without third party vendors—form a team to combine their marketing and administration efforts, they must get approval of the broker.

Approved teams must ensure their advertising clearly indicates <Brokerage Name>, does not imply the team is a separate brokerage, and otherwise adheres to [RECA’s Advertising Guidelines](https://www.reca.ca/wp-content/uploads/2019/08/advertising-guidelines.pdf) as posted on reca.ca.

### Incentives

An incentive is any good or service of value advertised, communicated, or offered to attract business.

Incentives can only be offered as part of a brokerage-wide marketing program. Licensees must not directly or indirectly, advertise or otherwise offer incentives as part of any personal or team promotions. Incentives include promoting likes and follows on social media platforms as part of an incentive to attract business.

### Inducements

An inducement is a financial offer—e.g., credit towards a good or service—made with the intent of persuading the consumer to complete a transaction. Any inducement deals must be signed by both the licensee and the broker and be paid through the brokerage. <Brokerage may include a policy to pre-authorize inducements of a certain type or value. If your brokerage chooses to do that, include it here>

## Referrals

All referral fees paid by or received by our licensees must be done through the brokerage. If the fee is being paid to or received from another party licensed by RECA, it must be done brokerage to brokerage. Licensed individuals cannot pay or receive referral fees personally.

### Making Referrals

When providing referrals to other service providers such as lawyers, real estate licensees, financial planners, etc. licensees should provide a list of related experts with a clear understanding the client is free to research these and other options before choosing the expert they will work with.

Licensees are required to get written permission from the client or customer before passing along any personal information to any other service providers.

### Receiving a Referral Fee

Any referral fees expected by the brokerage must be disclosed in writing to, and approved by, the client. Signed referral fee disclosure forms must be filed with the brokerage.

Any referral fees received without client consent will be refused by the brokerage.

### Paying a Referral Fee

<Brokerage> can pay a referral fee to an unlicensed person if the activities of that person did not require a real estate broker, property management or mortgage broker licence under the *Real Estate Act* (*Act*).

## Signatories of the Brokerage

Mortgage licensees may only sign documents as representatives of <Brokerage Name> with clients when completing any service agreements and any amendments or related disclosure documents.

## Changes to Personal Information and Status

Mortgage licensees must immediately notify the broker and RECA of:

* any **complaints or disciplinary actions** against the mortgage licensee by a professional board or association
* **bankruptcy proceedings\*,** including companies owned by the mortgage licensee and companies of which the mortgage licensee is a director or officer
* **Criminal Code charges and convictions** for any criminal offence or any other offence under any law of any province, state, or country, excluding provincial or municipal highway traffic offences resulting only in monetary fines or demerit points.
* **judgments rendered against** the mortgage licensee, any companies owned by the mortgage licensee, or companies of which the mortgage professional is a director or officer in relation to the provision of services or sale of goods to consumers

*Note: Mortgage licensees can provide written notification through their myRECA account, using the Notify the Registrar button from the My Account tab. Simply fill in the required fields, complete the declaration page, and submit the form*.

* **change of name**
* **changes to contact information** such as address of residence, primary phone number, primary email address. (*Note: Mortgage licensees can change personal information on the My Account tab in their myRECA account.)*

\**Bankruptcy proceedings include bankruptcy and consumer proposals for individuals and receivership for companies. If there is any doubt about what needs to be reported, check with the broker or RECA.*

## Leaving the Brokerage

Mortgage licensees leaving the employ of the brokerage must:

* inform the broker of all:
* active applications even if they have not yet been entered into the brokerage system
* deals in process – pre-approvals and approvals
* closed deals on which they are still owed commissions
* leave all documentation related to transactions (service agreements, client contact information, etc.) with the brokerage
* leave all documentation for past client relationships and transactions with the brokerage
* return any equipment belonging to the brokerage, such as signage, marketing materials, etc.
* return office keys to the brokerage

Mortgage licensees must not:

* attempt to counsel or coerce any clients or customers of the brokerage to move with the mortgage licensee to another brokerage
* contact any clients that are under contract with <Brokerage Name> without the permission of the broker once the registration with the brokerage has been terminated

< OR Licensees may negotiate to take clients with them upon termination of their registration with the brokerage.>

Note: Clients of the brokerage will not have given permission to have their information shared with another brokerage; therefore, this permission must be obtained before the files are transferred to the new brokerage.

# Part 7: Commissions, Compensation, Benefits, and Source Deductions

## Commissions Payment

Commission rates are determined through negotiation between each licensee and the brokerage.

### Independent Contractors

Commissions will be paid <as a split between the brokerage and the licensee.>

Commissions to <Brokerage Name> will be paid to the licensee after deducting approved expenses, brokerage fees/splits, and/or office charges.

#### Payment of Commissions to a Corporation

<Brokerage Name> will pay commissions earned by a licensee to a corporation if the licensee owns no less than 50% of that corporation. To have commissions paid to a corporation, mortgage licensees must provide the brokerage:

* a letter of direction
* Certificate of Incorporation and the Articles of Incorporation confirming the corporate registration is current and the share of ownership of the mortgage licensee
* annual returns and verification of share ownership confirming the corporation remains active and the mortgage licensees’ ownership remains at 50% or higher

Should the status of the corporation, or the mortgage licensees’ ownership of the corporation change, the licensee must immediately notify the broker.

#### Paying into Brokerage Benefits

<insert any information on buying into benefits, if applicable.>

### Employees

<Brokerage Name> will deduct from commissions earned:

* approved expenses charged to their brokerage account
* <Federal and Provincial Income tax>
* <Canada Pension Plan>
* <Employment Insurance>
* any court-ordered amounts
* legally binding third-party demands
* <Add any other deductions such as long-term disability or benefit premiums>

### Shared Commission Agreements

<Insert policies around commission agreements, (typically teams)>

### Transactions Completed by More than One Mortgage Licensee

<insert commissions policy for mortgage licensees covering a transaction in the absence of another or for other reasons>

<Insert commissions policy for transactions completed by other mortgage licensees after the initial licensee has left the brokerage, including brokerage procedures for dispersing these deals to other brokerage licensees.>

### Commission Pay Schedule

<Brokerage Name> pays commissions <number of days/weeks> after a transaction is closed.

### Expected Productivity Levels

<Brokerage Name> expects mortgage licensees to <insert productivity expectations, e.g., dollar volume of business, or fees earned, etc.>.

## Professional Fees

### Licence Registration Fees

<Brokerage Name> will pay the annual renewal fees for mortgage licensees and bill this amount back to the individuals. >

OR

<Mortgage licensees are responsible for ensuring that their licence registration fees are paid each year before the end of the renewal period on September 30th.>

### Association Fees

<Insert brokerage policy for payments of any industry association fees associated with the brokerage>

### Brokerage Generated Referrals

Mortgage licensees who complete a deal referred by the brokerage will receive <insert amount>% of the commission.

### Internal Referrals

<When one mortgage licensee refers a deal to another mortgage licensees within the brokerage, they must agree on the commission split up front. This arrangement must be documented at the time of the referral.>

OR

<Any other specific brokerage policy on internal referrals.>

### Fees for Extraordinary Financial Obligations

<If a mortgage licensee requires <Brokerage Name> to make payments for extraordinary financial obligations, e.g., court ordered payments, garnishees, payments to financial planners, etc., these payments will be subject to service charges.>

## Enforced Collection of Commissions

In cases where the commission is being paid by the borrower and the borrower fails to pay <Brokerage Name>, the brokerage may employ a collection agency or legal counsel. The brokerage will deduct any related fees or expenses from the total commission before distributing the remaining commissions according to the Commissions Payment policy.

## Commissions Payable after Leaving the Brokerage

<Brokerage Name> will pay out to departed licensee any commissions paid on deals finalized prior to the mortgage licensees’ end date with the brokerage. Fees for <add activities the brokerage may be responsible for in finalizing the file or relationship> will be deducted by the brokerage before paying out the commission.

Commissions on any transactions that were not closed prior to the mortgage licensees’ departure will be <shared with/paid to> the brokerage mortgage licensee who finalized the deal.

< Add any provisions for a change in split after departure>

<Add brokerage policy for paying mortgage and insurance trailer commissions>

# Part 8: Industry Associations

## Membership

<This section can be deleted if it is not applicable to your brokerage>

<Brokerage Name> is a member of the Alberta Mortgage Brokers Association (AMBA), and Mortgage Professionals Canada (MPC). We have agreed to abide by the Associations’ Code of Conduct, and we require that our representatives uphold the Code.

All mortgage licensees affiliated with <Brokerage Name> are required to be a member in good standing of associations and comply with the rules of these organizations. Should a mortgage licensee fail to maintain their membership with the professional associations, the brokerage will <terminate their brokerage registration with RECA>

OR

<pay the membership fees and deduct from future commissions>.

### Membership Benefits

The association(s) provide information on marketing, trends, best practice, mortgage, and real estate market conditions. <Brokerage Name> recommends that all mortgage licensees utilize the benefits available to them through membership in these organizations. We will distribute and make available in the brokerage library, bulletins, pamphlets, and other documentation received from these organizations.

# Part 9: Legislation & Interpretations

Various legislation and policy govern the operation of mortgage brokerages in Alberta. <Brokerage Name> expects employees to familiarize themselves with the legislation impacting their role as a mortgage licensee.

## Provincial Oversight

### [*Real Estate Act* (the *Act*)](https://www.reca.ca/about-reca/legislation-standards/real-estate-act/)

This provincial legislation created the Real Estate Council of Alberta and sets out the broad parameters for RECA as a self-regulatory body. You can access, search, and download the [*Real Estate* *Act*](https://www.reca.ca/about-reca/legislation-standards/real-estate-act/) on reca.ca.

#### [Real Estate Act Rules (the Rules)](https://www.reca.ca/about-reca/legislation-standards/real-estate-act-rules/)

The *Rules* provide details on all areas regulated by RECA. Mortgage licensees of <Brokerage Name> should know and understand Rules, in particular Part 2: Industry Standards of Practice. You can access, search, and download the [*Real Estate Act* Rules](https://www.reca.ca/about-reca/legislation-standards/real-estate-act-rules/) on reca.ca.

#### [RECA Advertising Guidelines](https://www.reca.ca/wp-content/uploads/2019/08/advertising-guidelines.pdf)

The Advertising Guidelines are a plain language summary of RECA’s advertising standards. Mortgage licensees are responsible for ensuring their advertisements and marketing materials comply with the guidelines. You can review and download the [guidelines](https://www.reca.ca/wp-content/uploads/2019/08/advertising-guidelines.pdf) on reca.ca.

### [*Agricultural and Recreational Land Ownership Act*](http://www.qp.alberta.ca/documents/Acts/A09.pdf)

Prevents foreign entities from buying significant amounts of prime agricultural and recreational land.

### [*Alberta Human Rights Act*](http://www.qp.alberta.ca/documents/Acts/A25P5.pdf)

Protects Albertans from discrimination to ensure that all Albertans are offered an equal opportunity to earn a living, find a place to live, and enjoy services without discrimination.

### [*Alberta Building Code*](https://www.alberta.ca/building-codes-and-standards-overview.aspx)

This legislation sets minimum standards for the construction of buildings in Alberta.

### [*Condominium Property Act*](http://www.qp.alberta.ca/documents/Acts/c22.pdf)

Covers the creation of condominium real estate, condominium corporations, by-laws for the governing of the corporation and reserve funds, etc.

### [*Consumer Protection Act*](http://www.qp.alberta.ca/documents/Acts/c26p3.pdf)

Covers consumer transactions in Alberta to prevent parties from taking advantage of consumers through unfair business practices. It outlines requirements for Cost of Credit Disclosure as well as consent to access consumer credit history. It also contains the High-Cost Credit Regulation providing a framework for the conduct and operations of businesses that offer, arrange or enter into agreements for high-cost credit products. High-cost credit is any credit product with a rate of 32% or more.

### [*Cooperatives Act*](http://www.qp.alberta.ca/documents/Acts/C28P1.pdf)

Regulates business organizations set up for people to use services or buy goods as a group.

### [*Dower Act*](http://www.qp.alberta.ca/documents/Acts/D15.pdf)

Deals with matrimonial property. Mortgage licensees must be aware of the implications this Act has on the sale and financing of properties.

### [*Electronic Transactions Act*](http://www.qp.alberta.ca/documents/Acts/E05P5.pdf)

Focuses on the legality of contracts that are electronic in nature, including electronic signatures.

### [*Employment Standards Code & Regulations*](https://www.alberta.ca/employment-standards.aspx)

Sets the employment standards in Alberta.

### [*Environmental Protection and Enhancement Act*](http://www.qp.alberta.ca/documents/Acts/E12.pdf)

Support and promotes the protection, enhancement, and wise use of the environment.

### *Errors & Omissions Policy*

Mortgage brokerages are required to have insurance against liability for errors and omissions, and additional coverage for loss resulting from fraudulent acts. [Errors and Omissions Insurance Guidelines](https://www.reca.ca/wp-content/uploads/2018/07/Mortgage-EO-Guidelines.pdf)

### [*Foreign Ownership Land Act*](http://www.qp.alberta.ca/documents/Regs/1979_160.pdf)

Defines Foreign Ownership of Land Administration and how it monitors and controls acquisition of prime agricultural and recreational land by non-Canadians.

### [*Freedom of Information and Protection of Privacy (FOIP)*](http://www.qp.alberta.ca/documents/Acts/F25.pdf)

Governs access to information held by certain public bodies (e.g., government bodies) as well as the protection of personal information held by those same bodies.

### [*Land Titles Act*](http://www.qp.alberta.ca/documents/Acts/L04.pdf)

Regulates the registration of land related documents that both create and terminate legal rights in property.

### [*Law of Property Act*](http://www.qp.alberta.ca/documents/Acts/L07.pdf)

Legislation overseeing property rights, which are the subject of instruments such as contracts, conveyances, and mortgages. This act includes foreclosure proceedings and other rights of lenders and borrowers in the event of default, including recourse on covenant.

### [*Mobile Homes Sites Tenancies Act*](http://www.qp.alberta.ca/documents/Acts/M20.pdf)

Sets out the rights and responsibilities that apply to tenants and landlords regarding the rental of a mobile home site.

### [*Municipal Government Act*](http://www.qp.alberta.ca/documents/Acts/m26.pdf)

Sets the authority and structure for local municipal governments

### [*Occupational Health and Safety Act*](https://www.alberta.ca/ohs-act-regulation-code.aspx/)

Promote and maintain the highest degree of physical, psychological, and social wellbeing of employees.

### [*Personal Information Protection Act (PIPA)*](http://www.qp.alberta.ca/documents/Acts/P06P5.pdf)

Protects individual privacy by requiring, in most cases, private-sector organizations to obtain consent for the collection, use and disclosure of personal information and providing individuals with a right of access to their own personal information.

### [*Personal Property Security Act*](http://www.qp.alberta.ca/documents/Acts/P07.pdf)

Governs dealings between secured creditors and their debtors relating to the personal property (that is not land) of debtors.

### [*Public Health Act*](http://www.qp.alberta.ca/documents/Acts/P37.pdf)

Protects public health.

### [*Residential Tenancies Act*](http://www.qp.alberta.ca/documents/Acts/R17P1.pdf)

Provides a framework for landlord and tenant relations, setting minimum standards of conduct for both parties.

### [*Water Act*](http://www.qp.alberta.ca/documents/Acts/w03.pdf)

Protects and manages water resources in Alberta.

## Federal Oversight

### [*An Act Respecting the Criminal Law (Criminal Code)*](https://laws-lois.justice.gc.ca/eng/acts/C-46/)

Codifies most criminal offences and procedures in Canada. Defines criminal interest rates

### [*Canada’s Anti-Spam Legislation (CASL)*](https://crtc.gc.ca/eng/internet/anti.htm)

Protects consumers and businesses from the misuse of digital technology, including spam and other electronic threats. It also aims to help businesses stay competitive in a global, digital marketplace. Breaches of CASL can result in severe fines.

### [*Canadian Environmental Protection Act*](https://laws-lois.justice.gc.ca/eng/acts/c-15.31/)

Prevents pollution while protecting the environment and human health in order to contribute to sustainable development.

### [*Competition Act*](https://laws-lois.justice.gc.ca/eng/acts/C-34/index.html)

Oversees competition in the business world and enforces truth in advertising. Penalties for anti-competitive behaviour and misrepresentation can be very severe under this legislation.

### *[Canadian Radio-Television and Telecommunications Commission Unsolicited Telecommunications Rules (Do Not Call Legislation)](https://crtc.gc.ca/eng/phone/telemarketing/reg.htm)*

Protects the public’s privacy and shields them from unwanted telephone calls. Mortgage professionals must abide by this legislation.

### [*Personal Information Protection and Electronic Documents Act (PIPEDA)*](https://www.priv.gc.ca/en/privacy-topics/privacy-laws-in-canada/the-personal-information-protection-and-electronic-documents-act-pipeda/)

Governs how private sector organizations collect, use, and disclose personal information in the course of commercial business, including the use of electronic documents. PIPA applies in Alberta while PIPEDA governs federal activities.

### [*Proceeds of Crime (Money Laundering) and Terrorist Financing Act*](https://laws-lois.justice.gc.ca/eng/acts/p-24.501/)

Legislation administered by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to track and stop money laundering and the financing of terrorist activities. Mortgage licensees are encouraged to report suspicious transactions in the effort to reduce money laundering.

## Municipal Oversight

<Insert any municipal bylaws that oversee the real estate industry in your city/town, e.g., secondary suite bylaws) >

# Part 10: Independent Contractor Agreements

Mortgage licensees engaged by the brokerage must sign an <Independent Contractor Agreement/ Associate Employment Agreement> no later than authorization being in place for them to represent <Brokerage Name>. This agreement, along with the brokerage’s policies and procedures, will stipulate the terms of the mortgage licensees’ representation of the brokerage.

<Brokerage> is responsible for the activities of all persons employed directly or indirectly by the brokerage. When a mortgage licensee wishes to hire an unlicensed assistant, <Brokerage> approval is required. The unlicensed assistant and associate must sign an Unlicensed Assistant Agreement prior to the unlicensed assistant starting to work for the associate.

### Sample Agreements

Samples provided by mortgage brokerages and are not endorsed by RECA. See attached sample Associate Agreement and Unlicensed Assistant Agreement. Brokerages should obtain independent legal advice to ensure the contracts are suitable for their situation.

**SAMPLE**

**MORTGAGE ASSOCIATE/INDEPENDENT CONTRACTOR AGREEMENT**

**THIS AGREEMENT** effective as of the <Date> day of <Month, Year>.

BETWEEN:

**<Full Associate Name>**

in the Province of Alberta

(Hereinafter referred to as “Associate”)

-And-

**<Brokerage>,** a corporation incorporated under the

Laws of Alberta and

(Hereinafter referred to as the “Company”)

The Company is a duly registered mortgage brokerage pursuant to the Alberta *Real Estate Act. (*the *Act).*

The Associate is licensed/eligible to be licensed under the *Act* and wishes to represent the Company in the business of arranging mortgages, and other financial services/products offered by the Company.

**1. SERVICES PROVIDED BY THE COMPANY**

1.1 The Company shall provide Associate with access to web-based mortgage loan origination system, for the purpose of conducting her/his business activities as a mortgage Associate pursuant to the *Ac*t.

1.2 The Company shall pay <pay frequency>, all revenues owing to Associate under this agreement, after deducting all fees owing to the Company. The company will issue with each payment to Associate a detailed statement describing the details of all revenues received by Associate and all fees charged to Associate for the period.

1.3 If the Company allows the Associate a debit for any service provided by the Company, the Associate acknowledges the indebtedness for the amount and agrees that all such debts may be charged to her/his personal account and deducted from amount due to her/him from revenues received. Associate agrees to maintain his/her account in good standing and to pay all fees, royalties and charges owed to the Company, when due.

1.4 The Associate agrees that in the event of the termination of this agreement, the Company will be entitled to collect from the Associate any balance due to the Company.

1.5 There will be no interest charged or paid on the credit or debit balances that may accrue to the Associate’s account from time to time.

1.6 The Associate agrees that she/he shall never obligate the Company for goods or services.

1.7 The Company provides the Associate its brand, trademarks, and other marketing materials while this agreement is in effect.

1.8 The Company provides the following additional services:

 <List other services, if any, such as arranging E & O insurance, office use, CRM systems, benefits programs, etc.>

**2. SERVICES PROVIDED BY THE ASSOCIATE**

2.1 The Associate will source and obtain applications from consumers for mortgage loans and related products.

2.2 The Associate will discuss mortgage options with consumers and assist them in determining options suitable to their needs and situation.

2.3 The Associate will act on instructions of the customer to obtain appropriate products and services.

2.4 The Associate will assist customers with preparation of applications and supporting documentation and submit to lenders and other service providers approved by the Company, to arrange for the customer’s desired products and services.

2.5 The Associate will retain and submit to the Company all documentation and correspondence (digital, electronic, or other means) regarding all applications (successful or not) for any products or services offered by the Company.

2.6 <The Associate may, with prior approval from the Company, offer loan origination services to private lenders in accordance with the Company’s policies and procedures regarding representing private lenders.>

**3. RELATIONSHIP**

3.1 The Associate is an independent contractor and not an employee, partner, or in a joint venture with the Company. The associate has no authority to bind the Company except as outlined in this Agreement.

3.2 The Associate will have discretion in the manner of providing services to customers and agrees to do so in accordance with Company standards, policies, and procedures, and in a professional manner.

3.3 The Associate will only hire employees with prior approval of the Company and in accordance with Company policies and procedures. Employee duties will be in accordance with applicable *Real Estate Act Rules* and applicable employment legislation.

**4. MORTGAGE ASSOCIATE REMUNERATION:**

4.1 The Company will pay the Associate in accordance with attached Schedule A. (insert your Brokerage schedule at the end of this contract>

4.2 Payments will be processed <daily; weekly, monthly> upon receipt by the Company from the lender or other service provider and only once a compliant file has been received from the Associate according to the processes established by the Company.

4.3 The Company will deduct any amounts due for services provided to the Associate or as required by law. Deductions include but are not limited to credit report fees, licensing fees, association memberships, Errors and Omissions insurance premiums, marketing fees, appraisal fees, garnishments, and other obligations of the Associate to the Company.

**5. ASSOCIATE OBLIGATIONS**

5.1 On the effective date of this agreement, the Associate agrees to become licensed as a mortgage Associate pursuant to the Real Estate Act and to pay all fees associated with her/his licence and registration. Failure to obtain this licence and registration will cause immediate termination, without notice, of this agreement.

5.2 The Associate agrees to continue to be licensed as a mortgage Associate pursuant to the Real Estate Act throughout the term of this agreement, and any failure by Associate to be licensed, for any reason whatsoever, shall constitute cause for immediate termination, without notice, of this agreement.

5.3 The Associate always agrees to comply fully with all provisions of the Real Estate Act and its Rules in her/his business activities.

5.4 Compliance with the Real Estate Act and Rules means compliance with all legislation and rules affecting the Associates business activities.

5.5 The Associate will review and stay current with the Company’s policies and procedures and agrees to follow the Company’s policies and procedures. < Some brokerages have all policies and procedures in their Policy and Procedure Manual while others have separate documents. Wording of this clause is generic to cover all policies and procedures. Brokerages should adapt to suit their situation.>

5.6 The Associate agrees that all marketing and advertising relating to the business activities pursuant to the *Real Estate Act* *and Rules* shall:

 a) be in the name of the brokerage

b) comply with the *Real Estate Act, Rules, and policies*

*c)* be approved by the Company and

*d)* be consistent with the advertising standards described in the current policy manual of the Company.

5.7 The Associate agrees to use the forms, applications, agreements, and notices prescribed by the Company

5.8 The Associate will obtain the Company approval before hiring any employees and be responsible for payment of wages and withholding required deductions to any of its employees. Duties assigned to employees will comply with the ***Real Estate Act*, Rules, and policies.**

**6. CONFIDENTIAL INFORMATION**

6.1 Confidential information means material relating to the Company, its clients, or business that is not generally available to or used by others, or the use of value is not generally known to others. Confidential information includes, but is not limited to:

 a) financial, business, and personal data relating to customers, clients, affiliates, subsidiaries, other associates, and employees of the Company

 b) business models, marketing plans, programs, strategies, policies, and procedures of the Company that are not standard industry practices, or that are not generally known in the industry

 c) studies, customer lists, charts, plans, tables, and compilations of business information acquired or prepared by or on behalf of the Company

6.2 The Associate will not disclose any confidential information to anyone outside the Company.

6.3 The Associate will not use confidential information or disclose it to anyone inside the Company without the Company’s approval.

6.4 These obligations continue during and after termination of this Agreement.

**7. PRIVACY**

7.1 Privacy legislation means all laws that regulate the collection, use, disclosure, and storage of personal information.

7.2 The Associate will comply with the Company’s privacy policy and all applicable privacy legislation.

7.3 The Associate will obtain consent of every prospective customer for collection, use, and storage of their personal information.

7.4 The Associate will ensure access to customer personal information is restricted to personnel on a need-to-know basis.

7.5 The associate will promptly notify the Company of any beach or suspected breech of security protecting personal information.

8. **RESTRICTIVE COVENANTS**

8.1 The Associate agrees that she/he shall not, during the term of this Agreement, and for a period of <#> months thereafter, directly, or indirectly, either alone or in conjunction with any other person or business:

 a) compete with the Company or any of its affiliates

 b) be financially or otherwise involved in another entity that competes with the business(s) of the Company

 c) persuade, solicit, entice (or attempt to do so) any employee, associate, or independent contractor employed or engaged by the Company

**9. TERM**

9.1 This agreement commences on the “effective date” and ends after one year.

9.2 This Agreement will automatically renew for successive terms of one year, unless terminated by either party according to the Termination clause.

**10. TERMINATION**

10.1 This Agreement may be terminated by either party upon <#> days written notice.

 10.2 The Company may terminate this Agreement, in its sole discretion if:

 a) the Associate is subject of bankruptcy proceedings

b) a custodian, receiver, or manager is appointed to take charge of the Associate’s business

c) the Associate engages in conduct that reflects poorly or is harmful to the Company’s reputation

d) the Associate is found guilty of an offence under legislation governing real estate or mortgage brokers

e) the Associate breaches any of the terms and conditions of this Agreement

f) the Associate is incapable of operating the business

g) the Associate is barred from submitting deals to any lender

h) the Associate loses the right to conduct business as a mortgage broker

i) any change of control of the Associate’s business with prior approval of the Company.

10.3 Commissions will <or will not depending on brokerage policy> be paid for deals not yet closed at the time of termination. <Insert brokerage policy regarding any reduction of commission splits after termination or administration fees for brokerage completion of deals not complete>.

10.4 Client contact details are the property of the brokerage and the files must be retained by the brokerage. <Insert any brokerage policy regarding associate right to retain client information, keeping in mind client consent is required for their personal information to be shared with another brokerage>

10.5 The Associate agrees to cease using the name, trademarks, and other Company proprietary material immediately upon termination. This includes closing or amending all marketing including social media. Further, the Associate will provide the Company all files and other records required by law. The Associate will surrender any Company property such as office keys and/or access information, signage, brochures, promotional items, etc.

**11. SEVERABILITY**

11.1 If any provision(s) in this Agreement is found to be void or unenforceable in whole or in part, it shall not affect or impair the validity of any other provisions of this Agreement.

**12. NOTICES**

12.1 Any notice regarding amendments or termination of this Agreement shall be in writing (electronic or hard copy) and must be delivered to the Company’s registered brokerage address and the Associates address registered with the Company.

**13. INDEMNIFICATION**

13.1 The Associate will indemnify the Company for and hold it harmless from and against any claims, demands, judgments, penalties, and expenses resulting from:

 a) the Associate’s breach of any provisions of this Agreement

 b) the Company’s enforcement of any provisions of this Agreement

 c) the negligent acts or omissions of the Associate

 d) any violations by the Associate or its employees of any applicable laws

**14. WAIVER**

14.1 A waiver of either party of: a) any of their rights, b) any responsibilities of the other party, or c) any their obligations under this Agreement shall not constitute a waiver any of their other rights, responsibilities, or obligations under this Agreement.

**15. INDEPENDENT ADVICE**

15.1 The Associate, acknowledges that they have had sufficient time to thoroughly review this Agreement; understands the terms of this Agreement and their obligations in this Agreement; and has been given an opportunity to obtain appropriate professional advice concerning the interpretation and effect of this Agreement.

IN WITNESS WHEREOF the parties hereto have signed this Agreement as of the day and year set out above.

**THE COMPANY**

 Witness Signature Authorized Signatory

Associate Name

Witness Signature Associate Signature

**SCHEDULE A**

<Insert brokerage commission schedule>

<Insert any preferred lender arrangements that affect commission schedule>

**SAMPLE**

**UNLICENSED ASSISTANT AGREEMENT**

**THIS AGREEMENT** effective as of the <Date> day of <Month, Year>.

BETWEEN:

**<Full Associate Name>**

in the Province of Alberta

(Hereinafter referred to as “Associate”)

-And/Or-

**<Brokerage>,** a corporation incorporated under the

Laws of Alberta and

(Hereinafter referred to as the “Brokerage”)

And

**<Full Unlicensed Assistant Name>**

(Hereinafter referred to as “Unlicensed Assistant”)

1. **Services and Compensation**

UNLICENSED ASSISTANT agrees to perform for <Brokerage and/or Associate>the services described in Schedule A (“Services”). UNLICENSED ASSISTANT will submit biweekly invoices and time sheets for <Brokerage and/or Associate> review.

<Brokerage and/or Associate> agrees to pay UNLICENSED ASSISTANT the compensation set forth in Schedule B for the performance of the Services.

1. **Confidentiality**

“Confidential Information” means any proprietary information, client information, client lists, software, processes, marketing, finances, or other business information disclosed by the <Brokerage and/or Associate> either directly or indirectly in writing or orally.

UNLICENSED ASSISTANT will not use Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of <Brokerage and/or Associate> or disclose the Confidential Information to any third party. The Confidential Information shall remain the sole property of the <Brokerage and/or Associate>. UNLICENSED ASSISTANT further agrees to take all reasonable precautions to prevent any unauthorized disclosure of such Confidential Information.

Upon the termination of this Agreement, or upon <Brokerage and/or Associate>’s earlier request, UNLICENSED ASSISTANT will deliver to <Brokerage and/or Associate> all of the property and Confidential Information in tangible form in UNLICENSED ASSISTANT’s possession or control.

**3. Ownership**

UNLICENSED ASSISTANT agrees that all files, notes, records, lender information are the sole property of the <Brokerage and/or Associate>.

**4. Conflicting Obligations**

UNLICENSED ASSISTANT certifies that they have no outstanding agreement or obligation that conflicts with any of the provisions of this Agreement and UNLICENSED ASSISTANT will not enter into any such conflicting agreement during the term of this Agreement.

1. **Term and Termination**

This Agreement will commence on the Effective Date and will continue for <specify a term>, or until terminated.

<Brokerage and/or Associate> or UNLICENSED ASSISTANT may terminate this agreement at any time by giving two weeks’ notice to the other party.

Upon such termination all rights and duties of the parties toward each other shall cease except: <Brokerage and/or Associate> shall be obligated to pay, within fifteen <15> days after termination, all amounts owing to UNLICENSED ASSISTANT for Services performed and related expense, if any, up to the date of termination. Sections 2 (Confidentiality), 3 (Ownership), 4 (Conflicting Obligations) and 5 – 9 (General Provisions) shall survive termination of this Agreement.

1. **Notices**

Any notices given under this Agreement shall be in writing. Notices to be delivered in person. <or whatever method you agree upon>

1. **Assignment**

Neither this Agreement nor any rights or obligations under this Agreement may be assigned or transferred by UNLICENSED ASSISTANT without the express written consent of the <Brokerage and/or Associate>

1. **Relationship of UNLICENSED ASSISTANT to <Brokerage and/or Associate> – Taxes and Related Amounts**

UNLICENSED ASSISTANT’s relationship to <Brokerage and/or Associate> is that of an independent contractor. UNLICENSED ASSISTANT is not an employee of or a partner with <Brokerage and/or Associate>. Nothing in this Agreement may be construed to make UNLICENSED ASSISTANT an employee or agent of <Brokerage and/or Associate>, or to make UNLICENSED ASSISTANT and <Brokerage and/or Associate> partners.

UNLICENSED ASSISTANT must withhold and promptly remit all deductions, payments and contributions required by law for income tax, employment insurance and the Canada/Quebec Pension Plan with respect to this Agreement or to the provision to <Brokerage and/or Associate> of UNLICENSED ASSISTANT’s services under this Agreement.

1. **Entire Agreement**

This Agreement is the entire agreement of the parties and supersedes any prior agreements between them with respect to the matters in this Agreement.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name:** Unlicensed Assistant **Name:** Mortgage Associate

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Signature:** Unlicensed Assistant **Signature:** Mortgage Associate

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name:** Broker on behalf of the Brokerage **Title:** Broker on behalf of Brokerage

**Schedule A**

**Services**

UNLICENSED ASSISTANT will render the following Services exclusively to <Brokerage and/or Associate>:

All work as assigned by <Brokerage and/or Associate> and accepted by UNLICENSED ASSISTANT

Work will include all mortgage related duties always complying with the *RECA Rules.* <Brokerages may wish to attach the Information Bulletin [Assistants - Mortgage Brokerage](https://www.reca.ca/wp-content/uploads/PDF/Assistants-Mortgage-Brokerage.pdf) found on reca.ca>

**Schedule B**

**Compensation**

<Insert here whatever you agree>

# Part 11: Cybersecurity Checklist

|  |  |  |
| --- | --- | --- |
| **INFORMATION SECURITY PROGRAM** | Yes | No |
| Does your brokerage currently have a cybersecurity plan (or program)?  | [ ]  | [ ]  |
| Do you use information security practices in your brokerage operations?  | [ ]  | [ ]  |
| Do you have policies around user authentication, authorization, and access to sensitive information? | [ ]  | [ ]  |
| Have you documented your information security policies and procedures?  | [ ]  | [ ]  |
| Do you have information security compliance standards and controls included in your information policies and procedures? |[ ] [ ]
| Have you set enterprise risk management procedures to identify, assess, control, and review risks within your brokerage?  |[ ] [ ]
| Do you have a cybersecurity strategy, including plans to minimize risks? |[ ] [ ]
| Do you have control systems in place to prevent and detect unauthorized access to sensitive information? |[ ] [ ]
| **INFORMATION SECURITY OPERATIONS** | Yes | No |
| Do you protect sensitive information by encrypting computers, mobiles devices, and backup storage? |[ ] [ ]
| Do you restrict the sharing of personal or sensitive information over unencrypted public networks? |[ ] [ ]
| Do you restrict access to the physical servers that contain or process sensitive information?  |[ ] [ ]
| Do you only allow a user to access and make changes to systems and data based on their job function?  |[ ] [ ]
| Do you restrict access to computers systems to authorized personnel only? | [ ]  | [ ]  |
| Do you limit the use of software on brokerage computers to an approved software list? | [ ]  | [ ]  |
| Does your computer equipment, that stores or processes sensitive information, automatically lock after a set time limit for inactivity? | [ ]  | [ ]  |
| Do you install and regularly update endpoint protection software, antivirus software, and antimalware systems?  | [ ]  | [ ]  |
| Do you regularly update software applications, operating systems, servers, and networking systems? | [ ]  | [ ]  |
| Do you perform regular security audits (or vulnerability scans) on your servers, network equipment, and computer systems? | [ ]  | [ ]  |
| Do you restrict software installation to authorized IT staff? | [ ]  | [ ]  |
| Do you enforce the use of secure passwords?  | [ ]  | [ ]  |
| Have you implemented Multi-Factor Authentication (MFA) technology for accessing sensitive information remotely? | [ ]  | [ ]  |
| **INFORMATION MANAGEMENT** | Yes | No |
| Do you identify, classify, and protect sensitive data? | [ ]  | [ ]  |
| Do you encrypt valuable or sensitive data based on classification? | [ ]  | [ ]  |
| Do you have policies and procedures for:  | [ ]  | [ ]  |
| * handling credit card information?
 | [ ]  | [ ]  |
| * handling personally identifiable information?
 | [ ]  | [ ]  |
| * disposing of or destroying sensitive information?
 | [ ]  | [ ]  |
| * the backup and archival of critical information?
 | [ ]  | [ ]  |
| Do your securely wipe all devices before they are repurposed or discarded? | [ ]  | [ ]  |
| **INCIDENT RESPONSE PLANS AND BUSINESS CONTINUITY** | Yes | No |
| Do you have an up-to-date business continuity plan? | [ ]  | [ ]  |
| Do you have an insurance policy to mitigate a cybersecurity breach? | [ ]  | [ ]  |
| Have you the documented process for responding to a suspected breach? | [ ]  | [ ]  |
| Have you trained employees on the process? | [ ]  | [ ]  |
| Do you have an up-to-date emergency evacuation plan? | [ ]  | [ ]  |
| Does this plan identify the areas that need to be sealed off immediately in case of an emergency?  | [ ]  | [ ]  |
| Are key personnel trained regarding this? | [ ]  | [ ]  |
| Do you have a process for regular backups and a plan to access archival data in the event of a disaster?  | [ ]  | [ ]  |
| Do you have an emergency/incident management communications plan? | [ ]  | [ ]  |
| Does your plan set procedures for notifying the relevant authorities in the case of a disaster or security incident? | [ ]  | [ ]  |
| Do your procedures identify who should be contacted for each type of incident? | [ ]  | [ ]  |
| Do your procedures identify the person authorized to make this contact? | [ ]  | [ ]  |
| Does your plan identify who is authorized to speak to the press/public in the case of an emergency or an incident? | [ ]  | [ ]  |
| Does your plan set procedures for internal communications with your employees and their families? | [ ]  | [ ]  |
| Can your emergency procedures be appropriately carried out, as needed, by the people responsible? | [ ]  | [ ]  |
| **SECURITY AWARENESS AND EDUCATION** | Yes | No |
| Do you provide information on cybersecurity to your staff? | [ ]  | [ ]  |
| Do you provide your staff with regular cybersecurity training? | [ ]  | [ ]  |
| Do you train your employees to be alert to possible security breaches? | [ ]  | [ ]  |
| Do you have software installed to protect employees from online and email threats, including malware, phishing, and spam? | [ ]  | [ ]  |
| Are your employees trained to identify and protect classified data, including data stored? | [ ]  | [ ]  |
| * in hardcopy?
 | [ ]  | [ ]  |
| * electronically, on shared networks?
 | [ ]  | [ ]  |
| * electronically, on removable media (e.g., USB drives, laptops, etc.)?
 | [ ]  | [ ]  |
| Do you provide training on how to properly handle sensitive information such as credit card data and personal private information? | [ ]  | [ ]  |
| Do you perform regular mock phishing campaigns to help train your employees to identify phishing techniques and methods? | [ ]  | [ ]  |
| **COMPLIANCE AND AUDIT** | Yes | No |
| Do you regularly review and revise your information security policies, standards, procedures, and guidelines? | [ ]  | [ ]  |
| Do you perform regular security audits to ensure unauthorized software applications are not installed? | [ ]  | [ ]  |
| Do you monitor, log, and report all intrusions? | [ ]  | [ ]  |
| Do you perform regular tests on your security systems to check for vulnerabilities breaches or attacks? | [ ]  | [ ]  |
| Do you update your security systems when testing indicates they are vulnerable? | [ ]  | [ ]  |

# Part 12: Brokerage Policies and Procedures Acknowledgement of Understanding

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, have received, read, and understand the <Brokerage Name> Policies and Procedures Manual (the Manual). While employed or contracted with <Brokerage Name>, I will adhere to the policies and procedures outlined in the Manual.

Signed this \_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Employee

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name of Employee