



## MORTGAGE BROKER INDUSTRY COUNCIL

9:30 am, Thursday, March 17, 2022  
Virtual Teams Meeting

### MINUTES

<b>In Attendance:</b>	Gord Appel Paul Bojakli Clarence Lee, <i>Chair</i> Nkem Onyegbula Guy Ouellette
<b>Resources</b>	Joseph Fernandez Russ Morrow Stacy Paquin Charles Stevenson Barbara Young ( <i>Item #6, 7 &amp; 8</i> ) Bryan Douey, ( <i>Item #9</i> ) Gary Siegle ( <i>Item #15</i> )
<b>Recording Secretary:</b>	Christina Harrington Rina Hawkins

#### 1. Call to Order and Approval of Agenda

The Chair called the meeting to order at 9:32 am.

***MOTION:** The Mortgage Broker Industry Council adopts the March 17, 2022 meeting agenda as presented.*

*Moved by Gord Appel*

*Seconded by Guy Ouellette*

*Carried*

#### 2. Conflict(s) of Interest Declared

No conflicts of interest were declared.

#### 3. Consent Agenda

The Mortgage Broker Industry Council (the "Industry Council") reviewed the consent agenda, including the December 16, 2021 meeting minutes, the Action Register, and the Regulatory Activity Scorecard.

***MOTION:** The Mortgage Broker Industry Council approves the consent agenda, including the December 16, 2021 meeting minutes,*

*the Action Register Update, and the Regulatory Activity Scorecard, as presented within the meeting package.*

*Moved by Nkem Onyegbula*

*Seconded by Gord Appel*

*Carried*

#### **4. Section 54, Real Estate Act (REA) Application to Withdraw**

The Industry Council declared no conflicts of interest concerning the s. 54 REA application of Stefanie Rae Davidson ("Applicant").

**Applicant's submissions:** The Applicant was not present and did not provide submissions. Through the appended Acknowledgment Form, the Applicant acknowledged that she had the opportunity to obtain legal counsel, and understood the application "*would result in a lifetime ban from the industry*".

**Registrar's submissions:** The Registrar did not oppose the application and confirmed the Applicant was eligible to apply. The Registrar confirmed there were no allegations of fraud or criminality made against the Applicant, by the complainant or the Registrar.

***MOTION:*** *The Mortgage Broker Industry Council approves the application of Stephanie Rae Davidson, for voluntary lifetime withdrawal from the industry, pursuant to section 54 of the Real Estate Act.*

*Moved by Nkem Onyegbula*

*Seconded by Gord Appel*

*Carried*

#### **5. RECA Board of Directors Report**

The Industry Council's Board member reported on the activities of RECA's Board of Directors (the "Board").

#### **6. Education Update and Examinations**

Management discussed the review process to ensure examinations are legally defensible (valid, reliable and fair). Management recommends exam questions be reviewed by psychometric analysis every 18 months to 2 years, and competency profiles be reviewed every 18 months.

Management will integrate constructive response questions into the existing examinations, over time. These questions will require a learner to write, amend, and/or explain a concept.

RECA's *Pre-licensing Education Philosophy* requires periodic surveys of learners to assess the effectiveness of credentialing programs.

Management issues surveys to new licensees and their brokers six months after licensure.

- 7. Presentation on Examination Question Development & Exam Review**  
Management presented the methodology of examination development, the threshold and degree of testing competencies, the level of consumer harm (risk), the process of scoring, and the fair treatment of learners.

- 8. Choosing Between Various Re-Licensing Education Models**  
Management presented re-licensing education options to ensure licensees are proficient in issues relevant to their sector. These may require licensees to take assigned courses or, alternatively to report their own professional development plan. Consultation with industry to develop course material/topics is recommended. The Industry Council will discuss the various re-licensing models/options at its next meeting.

- 9. Stakeholder Engagement**  
The Industry Council directed that Stakeholder Engagement Sessions be held in May 2022, with dates to be determined.

**ACTION:** Management will poll the Industry Council's availability to attend the Stakeholder Engagement Sessions in May 2022.

- 10. Strategic Planning**  
The Industry Council will increase outreach to stakeholders and associations specific to the Mortgage Broker industry sector.

- 11. RECA Industry Council Annual Evaluation Results**  
Management reviewed the results of the Industry Council Annual Evaluation. The results were received as information.

- 12. Practice Review Satisfaction Survey**  
Management presented the results of the *2020/2021 Practice Review Broker Satisfaction Survey*. The annual Practice Review examines brokerage records, accounting practices, and ensures the brokerage's compliance with *REA* and the *REA* Rules. The brokerage may in turn provide feedback on the audit process to Management.

- 13. License Structure Orientation / Rules Review and Overview**  
Management discussed the Board's strategic initiative to update, refine and amend the *REA* Rules. Amending the Rules would include revising

the licensing structure(s) governed by Rules 2 – 40. The objectives are to eliminate unnecessary impediments to entry, improve licensee competencies, modernize existing licensing structures to better align with legislation, and to maintain consumer protection. Management recommended timelines and models for consultation.

#### 14. Complaints & Investigations 2020/2021

For this information item, Management presented the results of Complaints & Investigations in 2020/2021.

#### 15. Proposed New Rules and Next Steps

The Industry Council directed the following forms/topics will form part of the REA Rules review initiative:

1. Knowing Your Mortgage (Material Risks) Acknowledgement
2. Product Suitability Acknowledgement
3. Rule 72 Document Verification Checklist
4. Representation Relationships – Intermediary Status
5. Written Service Agreements and Relationships Guide

Form 6, regarding *Private Lending Rules and Forms*, REA Rule 72, will be widely consulted on during the REA Rules Review process.

#### 16. In-Camera Session with the CEO

The Industry Council moved in-camera with the CEO.

#### 17. In-Camera Session with the Industry Council only

The Industry Council moved in-camera.

#### 18. Termination

***MOTION:** That the Mortgage Broker Industry Council meeting of March 17, 2022 be terminated.*

***Duly moved and seconded***

***Carried***

The meeting terminated at 1:09 pm

#### 19. Next Meeting(s)

- Friday, June 10, 2022

Approved at Calgary, Alberta on June 10, 2022

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Clarence Lee,  
Industry Council Chair