



## **MORTGAGE BROKER INDUSTRY COUNCIL**

**9:00 am, Thursday, March 16, 2023**

**Virtual Teams Meeting**

### **MINUTES**

**In Attendance:** Gord Appel  
Clarence Lee, *Chair*  
Nkem Onyegbula  
Guy Ouellette  
Paul Bojakli

**Resources:** Warren Martinson  
Stacy Paquin  
Gary Siegle

**Recording Secretary:** Rina Hawkins

#### **1. Call to Order**

The meeting of the Mortgage Broker Industry Council ("Industry Council") was called to order at 9:00 a.m.

#### **2. Approval of Agenda**

The Chair presented the agenda of March 16, 2023.

***MOTION:** The Mortgage Broker Industry Council approves the March 16, 2023, meeting agenda as presented.*

***Moved by Paul Bojakli,***

***Seconded by Nkem Onyegbula***

***Carried***

#### **3. Conflict(s) of Interest Declared**

No conflicts of interest were declared.

#### **4. Chair's Opening Remarks**

The Chair welcomed the Industry Council members to the meeting.

#### **5. Consent Agenda**

The Industry Council reviewed the consent agenda.

**MOTION:** *The Mortgage Broker Industry Council approves the consent agenda, including the December 8, 2022, meeting minutes, as presented within the meeting package.*

*Moved by Gord Appel,  
Seconded by Paul Bojakli  
Carried*

## 6. Action Register

The Industry Council reviewed the Action Register.

Management advised they have consulted with the Mortgage Broker Regulators' Council of Canada ("MRBCC") to review reciprocity arrangements between jurisdictions, and cross-province mortgage brokering practices. Management will provide more detail at the next Industry Council meeting.

**ACTION:** Management will send a summary of the interprovincial mortgage brokering practices of jurisdictions to the Industry Council members.

## 7. Regulatory Activity Scorecard

Management presented the Regulatory Activity Scorecard for information.

The Industry Council discussed examination results for the Alberta Mortgage Brokers Association ("AMBA") Fundamentals of Mortgage Brokerage and Practice of Mortgage Brokerage courses. Management will continue to analyze the examination results to determine appropriate pass scores.

## 8. RECA Board of Directors Report

The Industry Council received a report on the activities of the RECA Board of Directors ("Board"), for information.

## 9. Industry Council Annual Evaluation Results

Management reviewed the results of the annual self-assessment of the Industry Council (required by section 4.4 of the *Real Estate Act* ("REA") Bylaws).

The Industry Council discussed the desire for increased communication amongst its members between meetings, by utilizing technology platforms.

**ACTION:** Management will investigate communication tool options for the Industry Council and provide an update at the next Industry Council meeting.

#### 10. Staggered Board and Industry Council Member Terms

Management reported that, under *REA* Bylaws, the terms of elected and appointed Industry Council members will expire simultaneously on November 30, 2023. To ensure greater stability and retention of knowledge on the Board and Industry Councils, the Board is recommending an amendment to the *REA* Bylaws to allow for staggered Board and Industry Council member terms.

The Industry Council supported the proposed amendments to the *REA* Bylaw to implement staggered Board and Industry Council terms.

#### 11. Rules Review Steering Committee Update

Management presented the Rules Review Steering Committee (“RRSC”) consultation plan. As a stakeholder, the Industry Council will collate its requested *REA* Rule amendments during the first phase of consultation and submit to the RRSC for review and consideration.

#### 12. Real Estate Act Rule Amendments

##### Real Estate Act Rule 20(1)(d) – Criminal Record Check

Management presented a proposed amendment to *REA* Rule 20(1)(d) to digitize criminal record checks, as part of RECA’s efforts towards red tape reduction. Digital criminal record checks accelerate the eligibility process, and are more forgery-proof, convenient and discreet for licensees and applicants. Digital criminal record checks eliminate the need for a cumbersome mail-in or drop-off process, currently required with certified criminal record checks.

***MOTION:** The Mortgage Broker Industry Council approves the proposed amendment to REA Rule 20(1)(d) as presented in “TAB 12(A)” of the meeting materials and requests the RECA Board of Directors transmit this amendment to the Minister of Service Alberta and Red Tape Reduction for final approval.*

***Moved by Paul Bojakli,***

***Seconded by Nkem Onyegbula***

***Carried***

##### Real Estate Act Rule 39(1) – Review of Registrar’s Decision

Management presented that the *Alberta Fair Registration Practices Act* (“FRPA”), proclaimed March 1, 2020, and the *Alberta Labour Mobility Act* (“LMA”) (not yet in force) require regulatory bodies to carry out

registration practices that are transparent, objective, impartial and procedurally fair. The FRPA applies to all licence applicants (including internationally educated applicants) and the LMA applies specifically to labour mobility applicants licensed in other Canadian jurisdictions. The FRPA and the LMA require a process of internal review/appeal of interim registration decisions and decisions to refuse to register a licensing applicant. Management presented an amendment to Rule 39 to ensure compliance with the FRPA/LMA requirements.

***MOTION:** The Mortgage Broker Industry Council approves the proposed amendment to Real Estate Act Rule 39(1) as presented in "TAB 12(B)" of the meeting materials and requests the RECA Board of Directors transmit this amendment to the Minister of Service Alberta and Red Tape Reduction for final approval.*

***Moved by Gord Appel,  
Seconded by Nkem Onyegbula  
Carried***

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#### Real Estate Act Rules 82(1)(f) and 82(2)(f) – Electronic Records

Management presented REA Rules 82(1)(f) and 82(2)(f), which permit a broker to "convert and store written, printed, or any paper records into electronic format if the following conditions are met" and "[...] (f) the electronic records are located in a physical premise, accessible by the broker in Alberta [...]".

A concern was raised that Rules 82(1)(f) and 82(2)(f) suggest electronic records must be stored at a physical location in Alberta. This may affect a broker's ability to store information in a cloud-based storage. To provide clarity, the Registrar recommended proposed amendments to Rules 82(1)(f) and 82(2)(f) to clarify the intention that electronic records must be accessible by the broker but do not necessarily have to be stored in Alberta, unless otherwise provided for under the REA.

***MOTION:** The Mortgage Broker Industry Council approves the proposed amendment to Real Estate Act Rules 82(1)(f) and 82(2)(f) as presented in "TAB 12(C)" of the meeting materials and requests the RECA Board of Directors transmit the amendments to the Minister of Service Alberta and Red Tape Reduction for final approval.*

***Moved by Guy Ouellette,  
Seconded by Nkem Onyegbula  
Carried***

### **13. Stakeholder Engagement Policy Update**

Management presented proposed amendments to the Stakeholder Engagement Policy. The Industry Council proposed further amendments, to provide clarity.

#### 14. Credentialing Report and Course Provider Update

Management presented the credentialing report and learner success rates. The report was received as information.

#### 15. Labour Mobility / Interprovincial Jurisdiction

Management presented that under the Canadian Free Trade Agreement ("CFTA") and the LMA (unproclaimed), RECA must register an applicant who provides proof of certification in another province/territory regardless of where they are a resident in Canada. As the "residency" of an applicant is not defined in the REA Rules, no amendments to REA Rules 16(2) or (3) are required. RECA has amended its Labour Mobility Policy to permit applicants who are licensed and/or educated in another jurisdiction, while being an Alberta-based resident, to apply to receive a licence in Alberta.

The Industry Council discussed that there should be continued conversation about this topic at the MBRCC as there is concern that there are many different accreditation standards across the country.

#### 16. Private Lending Education/ Licensing/ New REA Rules

At its December 2022 meeting, the Industry Council favoured increased education in the private lender sector over mandatory forms (risk disclosure and know-your-client). The Industry Council discussed modularized education in the Private Lending sector.

**ACTION:** Management will provide the Industry Council with an overview of existing private lending courses & programs in other Canadian jurisdictions.

#### 17. Prohibition on the Purchase of Residential Property by Non-Canadians Act

For this information item, it was noted that on January 1, 2023, the federal government introduced a prohibition prohibiting a non-Canadian from purchasing, directly or indirectly, any residential property. The federal government indicated the [Prohibition on the Purchase of Residential Property by Non-Canadians Act](#) supports its intention to address prevailing housing affordability concerns experienced by Canadians.

#### 18. In-Camera Session with Industry Council only

The Industry Council moved in-camera.

**19. Final Adjournment**

***MOTION:** That the Mortgage Broker Industry Council meeting of March 16, 2023, is adjourned.*

*Moved by Nkem Onyegbula*

*Seconded by Gord Appel*

*Carried*

The meeting adjourned at 12:14 pm.

**20. Next Meeting(s)**

- Thursday, June 15, 2023

Approved at Calgary, Alberta on June 15, 2023

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**Clarence Lee,**  
Industry Council Chair