

Question Report - Town Hall May 1, 2024 - Rules Review Phase 2, Part 3

#	Question
5	I think redundant rules should be removed.
6	if we make the change, permitted rather than required
7	Remove redundant rules
8	Permit the broker
9	I think Permit
10	permitted, not required
11	I would vote to permit brokerage
12	Permit the broker. Yes, remove redundancy
13	Two cheques being issued is a pain in the butt. Move trust over to General or Commission Trust and then issue one cheque. Important when doing e-transfers
14	Permit
15	Permit the brokerage
16	Brokerages should maintain funds in Trust Accounts and move accordingly. It is relatively easy to manage maintainin this process. One cheque - should come from the trust account.
17	perhaps with requirement for cheque to be written and sent within one business day after transfer
18	all from trust is better
19	Permit the broker.
20	We need to understand e-transfers... when you do a \$10,000 e transfer to pay out a commission it looks like a deposit that was supposed to go to trust accidentally went to general account. It is concerning to me as soon as \$10,000 drops into my general.
21	makes sense
22	Permit brokerages to do so
23	I support permit the broker as well
24	Do we know what how REIX and CDIC view this? Funds should stay in trust imo
25	Redundant Rules should be removed.
26	Do it!
27	Clarifying expectations always sounds like a positive to me, that way everyone can be on the same page!
28	Is this question weighed in Real Estate brokerages / realtors.
29	No. Too petty. This happens so often that you will need one person to do nothing but to monitor this.
30	I felt like this was simply creating busywork...
31	I do not believe this is necessary when the main cause of this is financial institutions taking a charge.
32	increase the limit
33	Yes over the 100 would be fine
34	over \$2,500
35	I agree over 100
36	Sure. Because the only discrepancies I have are either transposition errors or 1 cent rounding errors. Nothing ever over \$100.
37	I think a limit over \$250 would be reasonable reporting expectations
38	I think \$100 is a decent benchmark. I hold a trust account and discrepancies shouldn't exist. but odd times maybe
39	As long as it is written and noted "on the books" it wouldn't be necessary to report under \$100
40	What if it's simply an accounting error? Is there a time frame for reporting?
41	Yes, I agree with this one
42	Agree
43	Permit the borkerage
44	Agreed.
45	agreed
46	the fine should fit the infraction - eg you could have intentional versus non imtentional action
47	Allow flexibility to a ceiling max based on the outcome
48	agreed
49	We support flexibility.
50	if the fine is peanuts it does not deter
51	Yes to flexibility, every situation is different (extent of, intent, history of person involved, etc). Penalties are meant to be a deterrent and if there are not many "repeat offenders" then it seems to be a successful deterrent...
52	Flexibility, yes.....however if continual/habitual, then yes hit hard with fines.

I think that the maximum should be a very high amount. high enough to be a strong deterrent. with the span from \$0 upwards, thus still discretion involved in the final decision.

54 Flexibility makes sense

55 two or more offences , should result in the removal of the license. This will be an effective.

56 Not if it's an occasional administrative penalty. That's different than doing something illegal.

Just to confirm, we are talking about the maximum for administrative penalties (i.e. summary judgements), not what the Hearing Panel can do, correct?

58 I think if the people commit the crime, they will continue to reoffend regardless unless repeat offenders get considerably escalated penalty fee.

59 We agree they should be removed and handled by a Hearing Panel.

Ability to provide a learning moment at first stage if not to offside but 2nd time fine and 3rd time full maximum and license suspension. Progression is key in penalty process. 3rd strike should be higher and have discretion based on matter. 3rd strike should be no less than 5,000 in some

Agree, with reviewing Rule 42 it is generalized because of the wide range of situations that could arise. This does not seem like an administrative matter and makes sense to be moved to Hearing Panel...or are there specific examples that could be shared?

62 what is the current penalty max for admin matters?

63 YES!!

64 1 Million Percent

65 of course !

66 Absolutely

67 Pull current title. Period. If you aren't sure, ask a lawyer if he will accept the title given to him by a realtor.

68 Yes

69 yes

70 Yes

71 yes

72 yes

73 title is not available 24/7, so can't always be pulled (i.e. buyer in tight market)

74 Absolutely, unquestionable. Why is this a question the Sale/Purchase Agreement is very definitive on this.

the question though is if we get from a lawyer/realtor or another source is that okay? If it is mandated then that insinuates that WE HAVE to pull.

75 Maybe we need to differentiate between best practice and a mandate.

76 I agree we should for sure have it but we can go down a slippery slope if we start mandating all best practice activities.

77 this is an odd question. because the title has to be pulled to complete a transaction

78 I always pulled the title and check/confirm the name of the owner

79 Titles can change in a few days.

80 this rule could be interpreted in different ways - the way its worded leaves too much room for interpretation

Each side's representative should be pulling title...if not immediately available then as close a date as possible. ** Properties in midst of subdivision may not be available though... til finalization, so write something into offer?

82 Why don't lawyers accept 2nd hand title? They don't. Why? Liability. Due Diligence. Its only \$10. Geez.

83 to make it mandatory will help prevent all forms of fraud

Its my brokerage policy to attach to all offers in residential; The commercial forms have it as a field to complete unlike the residential OTP; it has cleaned up so many issues and problems in my brokerage making this a practice.

85 Listing agent should pull title prior to listing

The course is also definitive on this in that it directs every Agent to pull the title in order to have competent representation for the client seller or buyer.

87 I think it's fine for a Buyer's Agent to write an offer, if it's also

88 what will be alternatively acceptable if the title transfer is in process in case of newly built properties?

89 Reasonable steps leaves a lot to interpretation from the regulator. Best practice for sure

90 sure, but it has to be pulled anyway so why does it need a rule?

91been pulled by the Listing Agent. Lawyers always pull title.s

92 if you pull the title after there are a number of rules that are already broken

This would create magnitudes more work for property managers accountants. Taking rent payments from hundreds of units and transferring them into hundreds of different owner accounts would be a massive, regular undertaking.

Then transferring out the management fees from all those accounts instead of a single one for the total of all fees from a shared trust account.

It would also create more fees for clients to have this additional account created for them.

Many online bank portals cannot even support this many accounts.

This would create not only so much more work, but so many opportunities for errors and give us worse access to account information. The amount of work writing an extra cheque per sale pales in comparison to the amount of work, twice, every month for every client, this would

93 create.

94 yes

If the Rules already require that the brokerage be responsible for maintaining the positive balance, why does it matter if they loan funds? They

95 have to deposit the funds to cover this loan into their trust account either way. Maybe it is just that clarification that is needed?

96 no they need to be pooled

97 I have more than 100 accounts, should I have 100 different logons?

Keep it pooled. If RECA needs to audit then RECA can look into Block Chain deposit management software - tracking each deposit specifically to a
98 particular client.

99 For PM managers doing individual rentals pooled is the only way in my opinion at this time

100 No, keep it pooled

101 Need to be pooled. This affects the single family accounts. We have over 600 accounts.

I put a very lengthy response in my survey answers that was 100% against this proposed change. This creates a hardship for clients and the industry, creates potential for more errors, more costs, more time just to make it easier for the RECA auditors and investigators. Brokerages already have to reconcile accounts monthly, these reconciliations and reports that they're already pulling to maintain these accounts are sufficient tracking
102 that the auditors can simply review instead of requiring a brokerage have a thousand security trust accounts +/-

103 Condominium corporations are wildly different than fee management, particularly for single door clients

104 YES!!

105 Definitely

106 Yes there should be a deadline

107 This should be a client PM agreement and not mandated.

108 YES

To note on the CM side...onus can be put back onto the condo board by creating and maintaining their trust account and providing the CM access.

PMs are responsible for holding SD trust amounts for their owner-clients, and honestly most owner-clients can't be trusted to take the onus of this
109 responsibility onto themselves (the most common "bad thing" is that owners spend the money...)

110 Yes

111 yes

112 yes

113 Financial Statements question - yes, already a common enough question from the client side of their PMs

114 I call them all mortgage brokers anyways so we might as well make it official.

115 Agree with this statement.

116 distinction between Principal Broker and Mortgage Broker are the best

117 Yes, follow FSRA on this

118 Agree with this statement. Greater transparency for consumers.

RE: Mrtge Brkr Advertising in License Name and License Class; Commentary Answer: Yes; fair and reasonable and specific; prevents

119 miscommunication.

120 I don't think so, as many mortgage brokers work independently

121 Agreed

You know, as a broker even in the public's eye.... Is the title of mortgage broker - when the question is asked ... then the mortgage broker can say

122 I'm not the boss... we're known as a mortgage broker in reality

123 This is done right now. I don't believe this should be a rule per say.

124 Let that be up to each individual "mortgage broker".

125 Hell yes.

126 Echoing Shane's earlier comment... follow FSRA on this.

127 again...best practice but does it need to be mandated?

128 Clients are educated and expect explanations

129 yes - clients need to know their options and have the knowledge of different mortgages

130 Absolutely,

131 I don't think so, previous problems have been due to the

132 This should be a brokerage level decision.

133 Depending on the lending institution & they're lending guidelines if that client fits in the lenders requirements & if suitable

RE: Suitability; YES -- FSRA is doing it and it works. Especially for those "professing expertise" in critical and complex or time sensitive transactions
134 like "private lending"

135other regulators.

136 No,

We can present options all we want, but clients tend to choose what they feel is best for them whether we suggest it or not. Should be Best
137 Practice, but not mandated.

138 this could place undue legal liability on us

139 Clients need their hands held as to many agent mess up and wrong mortgages and taken on

140 leave it as a best practice. sometimes the customer has already made up their mind and not willing to discuss options.

141 I think financial guidelines change too frequently to mandate this. If there is a universal standard, follow it. (I would think)

142 This should be best practice but the statement is ambiguous, who determines this?

We recommend a variable but prime goes up and the client sues us because the mortgage was "unsuitable". client will determine what is suitable
143 after the fact.

144 How many consumers have complained about not being informed?

145 E&O insurance is only getting more expensive. this will make that expense go to the moon. even if we win lawsuits

146 perhaps a "protective clause" can be inserted into financial documents to protect the brokers?

147 I like that idea Debbie

148 yes on this fee collection issue. many clients work with more than one broker. there should be a retailer approval say \$500. to cover basic costs.

FSRA in Ontario, permits residential borrowers to pay advance non-refundable fees for mortgages in excess of \$400,000.00 to the complex nature
149 of larger mortgage files, even in residential cases.

150 There should be some flexibility, yes

151 What about something similar to the real estate Buyer Brokerage document?

152 This fee would need to be standardized or a maximum allowed

If costs occur during a transaction.. nothing allows the client to pay back or reimbursement the costs to the broker.. we don't take any money nor
153 credit cards ... no recourse other than wiring it off as a business cost.

154 Yes on the move of Condo E&O move to Registrar from Rules

I agree in the insurance market options are very limited; we had a pending claim that lasted three years and I had to get third party and paid 4
times more and in the end we were found to be not at fault but our only other option pricing was high!!! This is a difficult to mandate to much
155 unless there are options in the markets as costs can drive some out of business

156 Yousra, this happens to realtors a lot. Not all realtors take a fee with a buyers brokerage agreement.

157 Absolutely. Registrar needs to know if a brokerage can't get E&O insurance and why

158 Yes, report the reason...

I find it interesting these questions only seem to relate to condo or mortgage managers my comments are strictly around managing individual unit
159 management not condos

160 it needs to be reported

161 For what reason?

162 Can we please get background on why?

163 Well at time of renewal that question is asked and the broker at that time can advise the E&O was not renewed due to - a b c

164 yes, full disclosure

165 lets try to reduce the admin requirements please

166 its a bit of a stretch of regulatory mandate

I think ownership/name changes of condo management should be reported/updated. I think it would help realtors too, when listing, etc. Condo
167 docs, etc

No, business models aren't the perview of the Regulator. If a company goes out of business the Regulator has the ability to examine the books at
168 any time

169 i agree with steve!

170 accountability needs to be a must here

171 This feels like busywork again, I agree with Steve on it only increasing the admin requirements and on the business model note

You would need to add a Rule on the competition for management of properties and the ethics around that if this list was going to be public or
172 published

173 This is reported to auditors annually anyways, can it be part of that reporting?

If there is a concern the question is how protected is the information. I continue to get calls by telemarketers to my phone and I am not sure if
174 RECA or CREB is selling the data to individuals attempting to sell products and services.