

TRAINING CURRICULUM

Mortgage Brokerage
Qualification Program



Direction de la qualification
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Introduction

The decision to develop a training curriculum for the functions of a mortgage broker was made in response to the Government of Québec's will, expressed in Bill 141, to transfer the activities related to the regulation of the profession from the *Organisme d'autoréglementation du courtage immobilier du Québec* (OACIQ) to the *Autorité des marchés financiers* (AMF).

While not the product of an analysis of the profession, this training curriculum was developed using the competency framework in mortgage brokerage, which outlines the professional competencies evaluated by the OACIQ. An initial training curriculum consisting of seven competencies was submitted to experts in the field and specialists from the educational sector and then validated on November 21, 2018.

The five competencies making up the training curriculum illustrate the full scope of tasks and operations that can be accomplished by a mortgage broker upon career entry. **Only the first two competencies and the competency components adapted to the AMF's mandate have been selected for training program recognition.** The training curriculum therefore includes every aspect that must be mastered to practice ethically, in accordance with consumer rights. It also takes into consideration the fact that many competencies are perfected over time, with practical experience.

The other competencies can be covered in a training activity for people who know nothing about profession but wish to enter it. They can also be covered in continuing education activities for people wishing to improve their practice.

The training curriculum's competencies are integrated into groups of skills, knowledge, strategies, and contents. They allow candidates to develop their professional practice in accordance with the AMF's requirements for the mortgage broker occupation.

Every competency is split into components and then further, into sub-components, in order for its nature and scope as well as the underlying evaluation objective to be explicit. They may be formulated identically for different competencies, yet each one is contextualized based on the competency to which it refers.

Draft version

To provide further specifications, a list of related contents is included with each competency sub-component. The contents offer indications on the products, knowledge, behaviors or attitudes required to master the competency sub-component. Each module of the training curriculum is therefore divided into four major parts:

- The **achievement context** provides information about the situation in which the competency is exercised at entry level on the job market. It allows the competency's scope, importance and field of application to be determined and better understood; it also specifies typical situations and the degree of autonomy and responsibility required.
- The **competency components** and **competency subcomponents** define the competency's nature and scope.
- The related **contents** specify the object of the evaluation and will be addressed in the exam preparation material.
- **Performance criteria** define the requirements used to determine whether each competency component has been achieved.

Due to the information it provides, the training curriculum is at once:

- An internal tool that will provide the framework for the development of study material, exam questions and certification exams;
- A pedagogical planning tool that will guide trainers in their course development;
- An exam preparation tool that will instruct candidates on the nature and scope of the evaluated competencies.

Certification

The AMF also publishes an evaluation curriculum outlining the content evaluated in the certification exams. In the evaluation curriculum, each evaluated competency corresponds to a module and all modules are equally weighted. Consequently, all competencies must be mastered in order to obtain the right to practise.

In the evaluation curriculum, the competency components are weighted to quantify their relative importance in the exam. Many factors influence weighting, namely the component's importance for consumer protection as well as the complexity and scope of its underlying concepts and contents.

To help candidates prepare for the exams, the AMF publishes a preparation manual for each module of the evaluation curriculum.

COMPETENCY 1

Competency statement

Set up an ethical professional practice in compliance with the rules governing mortgage brokerage

Achievement context

- Based on
 - *Civil Code of Québec (C.C.Q.)*
 - *Act respecting the distribution of financial products and services (Distribution Act)* and its regulations
 - Other legislation and regulations concerning the mortgage brokerage sector
 - Jurisprudence/Case law
 - Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
 - Compliant mortgage brokerage contracts
 - Mortgage deeds/Acts constituting immovable hypothecs
- Using
 - Web, digital and paper reference sources
 - Necessary equipment, material and technology tools

Performance criterion for the competency as a whole

- Correctly understand the legislation, regulations and rules of practice and ethics applicable to the mortgage brokerage sector

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
1. Understand the legislative framework for mortgage brokerage	<ul style="list-style-type: none">• Difference between civil law and common law• <i>Civil Code of Québec (C.C.Q.)</i>• <i>Act respecting the distribution of financial products and services (Distribution Act) and its regulations</i>• <i>Act respecting the protection of personal information in the private sector (APPIPS)</i>• <i>Bank Act</i>• <i>Trust and Loan Companies Act</i>• <i>Insurance Companies Act</i>• <i>Cooperative Credit Associations Act</i>• <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</i>	<ul style="list-style-type: none">• Correctly identify the sources of law that apply to the sector

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
1.1 Identify the provisions of the <i>Civil Code of Québec</i> (C.C.Q.) that apply to mortgage brokerage	<ul style="list-style-type: none">• Name• Domicile and residence• Capacity of persons• Legal persons• Family• Estates/successions• Ownership• Prior claims and mortgages/hypothecs• Publication of rights	<ul style="list-style-type: none">• Clearly distinguish between the concepts of “natural person” and “legal person”• Clearly distinguish between the concepts of “real right” and “personal right”• Correctly understand the right of ownership and its elements, terms, conditions and dismemberment• Distinguish precisely between the concepts of “movable property” and “immovable property”• Distinguish precisely between the different types of hypothecs in the C.C.Q.• Correctly understand the concept of “contract”• Correctly understand the legal capacity to contract

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
<p>1.2 Identify the other sources of law that apply to mortgage brokerage</p>	<ul style="list-style-type: none"> • <i>Act respecting the distribution of financial products and services (Distribution Act) and its regulations</i> • <i>Act respecting the protection of personal information in the private sector (APPIPS)</i> • <i>Bank Act</i> • <i>Trust and Loan Companies Act</i> • <i>Insurance Companies Act</i> • <i>Cooperative Credit Associations Act</i> • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</i> • <i>Competition Act</i> • <i>Canada Mortgage and Housing Corporation Act</i> • <i>Bankruptcy and Insolvency Act</i> • <i>Taxation Act and Income Tax Act</i> • <i>Act respecting municipal taxation</i> • <i>Act respecting the Québec sales tax</i> • <i>Excise Tax Act</i> • <i>Jurisprudence / Case law</i> • <i>Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)</i> 	<ul style="list-style-type: none"> • Correctly identify the purpose of the legislation and regulations that apply to mortgage brokerage • Have an adequate understanding of the scope of the legislation and regulations • Correctly understand the definition of mortgage broker and the broker’s field of activity

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
<p>2. Ensure that the rules for mortgage brokerage transactions are integrated into the professional practice</p>	<ul style="list-style-type: none"> • Rules on processing mortgage brokerage transactions 	<ul style="list-style-type: none"> • Ensure compliance in integrating the rules for mortgage brokerage transactions into the professional practice
<p>2.1 Identify the parties involved in mortgage brokerage transactions</p>	<ul style="list-style-type: none"> • Banks, caisses populaires/credit unions, trust and loan companies, etc. • Mortgage insurance companies • Credit bureaus and credit reporting agencies (Equifax, etc.) • Mortgage firms • Real estate brokers • Notaries, lawyers • Accountants • Tax specialists, financial planners • Land surveyors • Register of personal and movable real rights • Land register • Building inspectors • Certified appraisers • Damage insurance agents or brokers • Life insurance agents or brokers • Mortgage insurance (estate protection) • Etc. 	<ul style="list-style-type: none"> • Distinguish precisely between the different parties involved in mortgage brokerage transactions • Correctly understand the restrictions applicable to real estate brokerage transactions based on the type of building

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
<p>2.2 Understand the legal and administrative framework governing mortgage brokerage</p>	<ul style="list-style-type: none"> • Types of lenders • Existing types of mortgage products and their features • Guidelines of the Office of the Superintendent of Financial Institutions (OSFI) • Property titles • Mortgage insurance products • Title insurance products • Government programs and subsidies 	<ul style="list-style-type: none"> • Precisely define the concept of mortgage brokerage transactions for mortgage loans • Clearly distinguish between the concepts of residential and commercial • Correctly understand the OSFI Guidelines • Correctly understand the standards applied by the different types of lenders
<p>3. Ensure that the rules governing mortgage brokerage operations are integrated into the professional practice</p>	<ul style="list-style-type: none"> • Rules governing mortgage brokerage practice 	<ul style="list-style-type: none"> • Accurately apply the rules governing mortgage brokerage practice
<p>3.1 Explain the role of mortgage brokerage regulatory authorities</p>	<ul style="list-style-type: none"> • <i>Autorité des marchés financiers</i> (AMF) • Mortgage Broker Regulators' Council of Canada (MBRCC) 	<ul style="list-style-type: none"> • Correctly distinguish among the regulatory authorities that grant the right to practise

COMPETENCY 1

Competency components and subcomponents	Contents	Performance criteria
<p>3.2 Ensure that the ethical obligations and duties governing mortgage brokerage are integrated into the professional practice</p>	<ul style="list-style-type: none"> • Rules governing mortgage brokerage practice • Obligations under the <i>Act respecting the distribution of financial products and services</i> (Distribution Act) and its regulations <ul style="list-style-type: none"> – Right to practise – Liability insurance – Advertising – Remuneration – Collaboration • Obligation to comply with the provisions of the <i>Act respecting the protection of personal information in the private sector</i> (APPIPS) • Competition Act • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> (PCMLTFA) • Fraud prevention • Record and register keeping • Tax legislation 	<ul style="list-style-type: none"> • Accurately apply the provisions of the <i>Act respecting the distribution of financial products and services</i> (Distribution Act) and its regulations • Accurately apply the provisions of the <i>Act respecting the protection of personal information in the private sector</i> (APPIPS) • Accurately apply the provisions of the <i>Competition Act</i> • Accurately apply the provisions of the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> (PCMLTFA) • Accurately apply tax legislation

COMPETENCY 2

Competency statement

Complete a mortgage brokerage transaction suited to the client's situation and goals

Achievement context

For a residential and commercial real estate transaction

- Based on
 - Legislation and regulations relating to the mortgage brokerage sector
 - *Act respecting the distribution of financial products and services* (Distribution Act) and its regulations
 - Standards, procedures and guidelines
 - Compliant mortgage brokerage contracts
- Using
 - Financial documents
 - Web, digital and paper reference sources
 - Procedures
 - Information technology (IT) tools

Performance criteria for the competency as a whole

- Complete a mortgage brokerage transaction using a rigorous, compliant approach
- Comply with the legislation and regulations in effect
- Comply with the ethical obligations and duties governing mortgage brokerage
- Comply with the mortgage firm's policies and procedures

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>1. Describe the key aspects of the workings of the mortgage market</p>	<ul style="list-style-type: none"> • Basic concepts in the mortgage brokerage sector • Mortgage market • Real estate appraisal 	<ul style="list-style-type: none"> • Determine the client’s specific goals • Set up a compliant mortgage brokerage mandate
<p>1.1 Understand the basic concepts relating to the mortgage brokerage sector</p>	<ul style="list-style-type: none"> • Existing types of mortgages and their features <ul style="list-style-type: none"> – Conventional mortgage – Collateral mortgage – Legal hypothec • Types of mortgage loans <ul style="list-style-type: none"> – Fixed-rate mortgage – Variable-rate mortgage – Open mortgage – Closed mortgage – Convertible mortgage – Reverse mortgage – Undivided co-ownership mortgage – High-ratio mortgage – Umbrella or collateral mortgage – Home equity line of credit – Bridge loan – Renovation loan – Other products 	<ul style="list-style-type: none"> • Have an appropriate understanding of the basic concepts relating to the mortgage brokerage sector

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>1.1 Understand the basic concepts relating to the mortgage brokerage sector <i>(continued)</i></p>	<ul style="list-style-type: none"> • Interest <ul style="list-style-type: none"> – Simple interest – Compound interest • Amortization • Payment • Down payment 	
<p>1.2 Understand the factors affecting the mortgage market</p>	<ul style="list-style-type: none"> • Mortgage supply and demand <ul style="list-style-type: none"> – Real estate asset purchases – Renewal, subrogation/transfer and refinancing – Financial institutions – Private lenders • Economy • Key policy rate • Prime rate • Demographics • Politics • Social factors 	<ul style="list-style-type: none"> • Have an appropriate understanding of the factors affecting the mortgage market

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>1.3 Understand the appraisal process for a residential property</p>	<ul style="list-style-type: none"> • Land market value • Cost approach • Parity method • Improvements and depreciation • Analysis limitations 	<ul style="list-style-type: none"> • Have an adequate understanding of the various residential property appraisal methods and analysis limitations
<p>1.4 Understand the appraisal process for a commercial property</p>	<ul style="list-style-type: none"> • Market value of land for commercial or industrial use • Gross income multiplier (GIM) method • Net income multiplier (NIM) method • Equipment value • Improvements and depreciation • Analysis limitations 	<ul style="list-style-type: none"> • Have an adequate understanding of the various real estate asset appraisal methods and analysis limitations
<p>2. Open the client file</p>	<ul style="list-style-type: none"> • Elements involved in opening a client file 	<ul style="list-style-type: none"> • Open a compliant file
<p>2.1 Inform the client about the mortgage brokerage process</p>	<ul style="list-style-type: none"> • Mortgage broker's role • Steps in a mortgage brokerage transaction 	<ul style="list-style-type: none"> • Have an appropriate understanding of the mortgage broker's role • Have an adequate understanding of the steps in a mortgage brokerage transaction

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
2.2 Inform the client about the components of the mortgage brokerage contract	<ul style="list-style-type: none">• Information required for mortgage brokerage transaction<ul style="list-style-type: none">– Reason for application– Terms and conditions of mortgage brokerage contract<ul style="list-style-type: none">✓ Purpose and duration of mandate✓ Parties' rights and obligations under the mortgage brokerage contract<ul style="list-style-type: none">▶ Exclusivity▶ Disclosure✓ Remuneration method for mortgage firm or mortgage broker✓ Dispute settlement mechanisms✓ Approximate financing terms and conditions	<ul style="list-style-type: none">• Have an in-depth understanding of the terms and conditions of a mortgage brokerage contract• Have specific knowledge of the dispute settlement mechanisms set out in the mortgage brokerage contract

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>2.3 Verify the file opening</p>	<ul style="list-style-type: none"> • Verification of the identity of the client and/ or the client’s designated representative • Verification of legal capacity to contract • Board of Directors’ borrowing resolution 	<ul style="list-style-type: none"> • Accurately determine the information needed to open a file • Perform a compliant verification of the borrower’s or borrowers’ identity • Adequately verify the parties’ capacity to contract
<p>2.4 Enter into the mortgage brokerage contract</p>	<ul style="list-style-type: none"> • Negotiation of the contract’s terms and conditions • Signature 	<ul style="list-style-type: none"> • Enter into a compliant mortgage brokerage contract
<p>3. Evaluate the client’s needs</p>	<ul style="list-style-type: none"> • Elements involved in mortgage financing needs 	<ul style="list-style-type: none"> • Accurately evaluate the client’s needs
<p>3.1 Gather information about the client’s situation</p>	<ul style="list-style-type: none"> • Objectives of the residential or commercial mortgage financing application 	<ul style="list-style-type: none"> • Determine the specific objectives of the residential or commercial mortgage financing application • Determine the supporting documents to be provided in compliance with the selected mortgage lender’s requirements

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
3.1 Gather information about the client's situation (continued)	<ul style="list-style-type: none">• Supporting documents needed for residential mortgage financing applications<ul style="list-style-type: none">- Client's status (salaried employee, selfemployed, newcomer, etc.)- Proof of income- Value of the client's assets- Proof of down payment- Details of indebtedness- Other financial commitments (alimony, other loans, etc.)- Other necessary documents based on the situation• Supporting documents needed for commercial financing applications<ul style="list-style-type: none">- Client's status (natural person, general partnership, company)- Incorporation documents, list of officers and directors, use of CIDREQ (Québec enterprise register), etc.- Board of Directors' borrowing resolution- Financial statements- Value of the client's assets- Proof of down payment- Other financial commitments- Calculations of relevant ratios- Other documents	

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>3.2 Define the real estate asset to be financed</p>	<ul style="list-style-type: none"> • Selling price and other information pertaining to the usual mortgage process • Property taxes (municipal, school, infrastructure) • Special assessments (municipal taxes, condo fees, reserve fund) • Legal documents • Appraisal, inspection and environmental characterization reports • Tests and expert analyses, etc. • List of immovable and movable property (machinery, equipment, furniture) included • Financial statements and budget projections for real estate assets 	<ul style="list-style-type: none"> • Accurately evaluate the financing application's value
<p>4. Analyze the client's financial situation</p>	<ul style="list-style-type: none"> • Methods of analyzing the client's financial situation 	<ul style="list-style-type: none"> • Accurately analyze the client's financial situation
<p>4.1 Prepare the client's balance sheet</p>	<ul style="list-style-type: none"> • Balance sheet and its components <ul style="list-style-type: none"> – Assets – Liabilities • Statement of income and expenses • Client's net worth 	<ul style="list-style-type: none"> • Accurately identify the balance sheet and its components • Determine the specific items in an individual's statement of income and expenses • Accurately calculate the client's net worth • Take the relevant information into account

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>4.2 Analyze the client's credit report</p>	<ul style="list-style-type: none"> • Credit report contents • Credit reporting agency standards 	<ul style="list-style-type: none"> • Accurately interpret the credit rating in the report
<p>4.3 Analyze the various financial ratios for a residential mortgage client</p>	<ul style="list-style-type: none"> • Gross debt service (GDS) • Total debt service (TDS) • Loan-to-value (LTV) ratio • Debt service coverage ratio • Lenders' standards 	<ul style="list-style-type: none"> • Accurately calculate the gross debt service (GDS) ratio • Accurately calculate the total debt service (TDS) ratio • Accurately calculate the loan-to-value (LTV) ratio • Accurately calculate the debt service coverage ratio • Accurately interpret the debt ratios according to industry standards
<p>4.4 Analyze the financial statements for a business</p>	<ul style="list-style-type: none"> • Ratios for evaluating business solvency <ul style="list-style-type: none"> - Working capital - Adequate weighting of items - Liquidities - Cash - Debt ratio - Interest coverage ratio - Profitability ratio - Other relevant ratios 	<ul style="list-style-type: none"> • Take the relevant information about the business into account • Accurately interpret the client's profitability

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>4.5 Perform a stress test analysis</p>	<ul style="list-style-type: none"> • Guideline of the Office of the Superintendent of Financial Institutions (OSFI) <ul style="list-style-type: none"> - Situations where guideline applies - Financial calculations - Impacts on financing options 	<ul style="list-style-type: none"> • Accurately apply the OSFI Guideline • Perform accurate financial calculations
<p>5. Recommend a mortgage financing product suited to the client’s situation and goals</p>	<ul style="list-style-type: none"> • Mortgage financing products 	<ul style="list-style-type: none"> • Recommend a mortgage financing product suited to the client’s financial situation
<p>5.1 Analyze the real estate transaction to be financed</p>	<ul style="list-style-type: none"> • Analysis of the real estate transaction to be financed <ul style="list-style-type: none"> - Client’s financial situation - Client’s goals - Approximate value of property - Collateral, security, guarantees/ suretyships and risk management - Transaction fees (notary, inspections, appraisal, insurance, etc.) - Basic tax impacts of the transaction (GST/QST, land transfer fees/duties on transfers, capital gains, tax credits) 	<ul style="list-style-type: none"> • Take the client’s financial situation and goals into account • Take the relevant information into account • Give adequate weighting to the relevant elements • Accurately analyze the transaction

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
5.2 Offer mortgage financing options	<ul style="list-style-type: none">• Real estate transaction to be financed• Types of lenders• Existing types of mortgage products and their features according to the type of lender• Balance of purchase price• Mortgage insurance• Penalties• Transferability and portability• Payment terms and conditions• Other transaction fees	<ul style="list-style-type: none">• Carefully take the information into account
5.3 Perform the relevant mortgage calculations	<ul style="list-style-type: none">• Financial math basics• Principal and interest payment calculation• Amortization calculation• Periodic and total interest calculation• Amortization table• Penalty calculations	<ul style="list-style-type: none">• Perform mortgage calculations accurately

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>5.4 Propose mortgage financing products suited to the client's situation and goals</p>	<ul style="list-style-type: none"> • Methods of comparing financing options 	<ul style="list-style-type: none"> • Propose a mortgage product suited to the client's situation and goals • Adequately explain the various mortgage financing options • Comply with the legislation and regulations in effect • Comply with ethical duties and obligations
<p>5.5 Submit a mortgage financing application to the lender</p>	<ul style="list-style-type: none"> • Submission process for residential mortgage financing applications • Submission process for commercial mortgage financing applications • Lenders' rules and standards • Mortgage fraud • Financing terms and conditions • Additional information (Notes) for lender • Conditions and follow-up for the mortgage brokerage transaction • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</i> 	<ul style="list-style-type: none"> • Submit a financing application in compliance with the legislation and regulations in effect • Comply with lenders' rules and standards • Adequately detect potential mortgage fraud situations • Comply with the rules of ethics and professional conduct • Provide accurate information on conditions and follow-up for the mortgage brokerage transaction

COMPETENCY 2

Competency components and subcomponents	Contents	Performance criteria
<p>6. Finalize the mortgage brokerage transaction</p>	<ul style="list-style-type: none"> • Process for finalizing a mortgage brokerage transaction 	<ul style="list-style-type: none"> • Complete a compliant mortgage brokerage transaction
<p>6.1 Monitor the obligations, conditions and deadlines for completing the mortgage brokerage transaction</p>	<ul style="list-style-type: none"> • Methods for monitoring the client's obligations and deadlines • Methods for monitoring the lender's conditions • Monitoring deadlines with other parties involved in the transaction 	<ul style="list-style-type: none"> • Closely monitor obligations and conditions • Meet deadlines
<p>6.2 Carry out the transactions to remunerate other parties involved</p>	<ul style="list-style-type: none"> • Remuneration mechanisms for parties who made referrals in the file 	<ul style="list-style-type: none"> • Accurately calculate the remuneration • Comply with the legislation and regulations in effect • Comply with rules of ethics and professional conduct • Remunerate the other parties appropriately
<p>6.3 Record the information in the client's file</p>	<ul style="list-style-type: none"> • Recording information about the mortgage loan in the client's file 	<ul style="list-style-type: none"> • Ensure compliant recording of the information in the client's file

COMPETENCY 3

The following competency is a general competency in the mortgage brokerage sector. It can be taught by educational institutions to individuals who would like to start a career but have no knowledge of the industry. It can also be taught to individuals who want to upgrade their knowledge.

Competency statement

Understand the essential elements of how the mortgage and real estate market operates

Achievement context

- Based on
 - Replacement cost approach
 - Parity or comparables approach
 - Income approach
 - Financial statements
- Using
 - Web, digital and paper reference sources
 - Necessary equipment, material and technology tools
 - Real estate listings

Performance criteria for the competency as a whole

- Correctly understand the essential elements of how the mortgage and real estate market operates
- Correctly understand the appraisal process for a real estate asset
- Comply with the legislation and regulations in effect
- Comply with the ethical obligations and duties governing mortgage brokerage

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
1. Identify the essential elements of how the market economy operates	<ul style="list-style-type: none">• Essential elements of how the market economy operates	<ul style="list-style-type: none">• Correctly identify the elements of how the market economy operates
1.1 Define the basic economic concepts	<ul style="list-style-type: none">• Supply• Demand• Price• Value• Market value• Opportunity cost• Complementary goods• Substitute goods	<ul style="list-style-type: none">• Correctly define the basic economic concepts

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
1.2 Understand the basic market economy concepts	<ul style="list-style-type: none">• Law of supply and demand in a competitive market<ul style="list-style-type: none">- Market equilibrium- Impact of changes in supply- Impact of changes in demand- Consumer behaviour- Price changes and demand elasticity- Imperfect competition market	<ul style="list-style-type: none">• Correctly understand how a competitive market operates
2. Understand how the mortgage market operates	<ul style="list-style-type: none">• Elements of how the mortgage market operates	<ul style="list-style-type: none">• Correctly understand how the mortgage market operates

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
2.1 Understand the basic concepts relating to the mortgage brokerage sector	<ul style="list-style-type: none">• Existing types of mortgages and their features<ul style="list-style-type: none">- Conventional mortgage- Collateral mortgage- Legal hypothec• Types of mortgage loans<ul style="list-style-type: none">- Fixed-rate mortgage- Variable-rate mortgage- Open mortgage- Closed mortgage- Convertible mortgage- Reverse mortgage- Undivided co-ownership mortgage- High-ratio mortgage- Collateral or umbrella mortgage- Home equity line of credit- Bridge loan- Renovation loan- Other products	<ul style="list-style-type: none">• Have an appropriate understanding of the basic concepts relating to the mortgage brokerage sector

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
<p>2.1 Understand the basic concepts relating to the mortgage brokerage sector <i>(continued)</i></p>	<ul style="list-style-type: none"> • Interest <ul style="list-style-type: none"> – Simple interest – Compound interest • Amortization • Payment • Price • Market value • Down payment 	
<p>2.2 Understand the factors affecting the mortgage market</p>	<ul style="list-style-type: none"> • Mortgage supply and demand <ul style="list-style-type: none"> – Asset purchases – Renewal, subrogation/transfer and refinancing – Structure of lender market <ul style="list-style-type: none"> ✓ Banking institutions, caisses populaires/credit unions and trust companies ✓ Private lenders – Application structure <ul style="list-style-type: none"> ✓ Types of applicants ✓ Types of products 	<ul style="list-style-type: none"> • Have an appropriate understanding of the factors affecting the mortgage market

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
<p>2.2 Understand the factors affecting the mortgage market <i>(continued)</i></p>	<ul style="list-style-type: none"> • Factors influencing the mortgage market <ul style="list-style-type: none"> - Economy and monetary policy - Consumption - Government spending - Investment - Imports and exports - Money supply - Debt - Inflation - Key policy rate - Prime rate - Demographics - Politics - Social factors 	
<p>2.3 Understand the environmental factors affecting the real estate market</p>	<ul style="list-style-type: none"> • Demographics • Economy • Environment • Politics • Social factors 	<ul style="list-style-type: none"> • Correctly understand the environmental factors affecting the real estate market

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
2.4 Understand the factors influencing the value of real estate	<ul style="list-style-type: none">• Location• Supply and demand• Use/usage• Improvements• Depreciation	<ul style="list-style-type: none">• Correctly understand the elements influencing the value of real estate
2.5 Understand how the property assessment roll is used	<ul style="list-style-type: none">• Purpose of the property assessment roll• Components of the property assessment roll<ul style="list-style-type: none">- Reference date- Description- Land value- Building value- Property value- Real value- Use- Challenges• Standardized value<ul style="list-style-type: none">- Median proportion- Comparative factor	<ul style="list-style-type: none">• Correctly understand the municipal property assessment and its components

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
<p>3. Understand the appraisal process for a real estate asset</p>	<ul style="list-style-type: none"> • Elements of the process and property valuation methods 	<ul style="list-style-type: none"> • Correctly understand the factors influencing the value of real estate • Have an adequate understanding of property valuation methods
<p>3.1 Determine the market value of land</p>	<ul style="list-style-type: none"> • Factors influencing land value <ul style="list-style-type: none"> - Location - Scarcity - Zoning - Size - Condition (soil characterization) - Services (water, sewer, electricity, fire hydrants, etc.) • Estimated value of vacant lot <ul style="list-style-type: none"> - Comparable sales - Calculation of the average unit rate - Determination of market value • Method for estimating improvements made to the lot • Analysis limitations 	<ul style="list-style-type: none"> • Correctly understand the factors influencing the value of a lot • Make a suitable selection of lots sold for comparison purposes • Precisely estimate the approximate market value of a lot

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
<p>3.2 Estimate the market value of a real estate asset based on the cost approach</p>	<ul style="list-style-type: none"> • Market value of a lot • Estimate of the value of the building when new • Estimate of improvements other than those made to building • Estimate of the value of equipment included in the sale • Estimate of the building's depreciation • Calculation of the property's market value • Analysis limitations 	<ul style="list-style-type: none"> • Accurately estimate the factors included in calculating the market value of a real estate asset • Accurately calculate the approximate value of a real estate asset based on the cost approach
<p>3.3 Estimate the market value of a real estate asset based on the parity (or comparables) approach</p>	<ul style="list-style-type: none"> • Criteria for selecting comparable properties • Adjustments related to the lot surface area • Adjustments related to the building surface area • Improvements that help increase the property's value • Estimate of depreciation • Analysis limitations 	<ul style="list-style-type: none"> • Make an appropriate selection of comparable real estate assets • Accurately estimate the factors included in calculating the market value of a real estate asset • Accurately calculate the approximate value of a real estate asset based on the direct comparison approach

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
<p>3.4 Estimate the market value of a real estate asset based on the gross income multiplier (GIM) method</p>	<ul style="list-style-type: none"> • Criteria for selecting comparable properties • Adjustments related to the lot surface area • Adjustments related to the building surface area • Improvements that help increase the property's value • Estimate of depreciation • Assessing the income generated by the real estate asset • Analysis limitations 	<ul style="list-style-type: none"> • Make an appropriate selection of comparable real estate assets • Accurately estimate the factors included in calculating the market value of a real estate asset • Accurately calculate the approximate value of a real estate asset based on the gross income multiplier method
<p>3.5 Estimate the market value of a real estate asset based on the net income multiplier (NIM) method</p>	<ul style="list-style-type: none"> • Criteria for selecting comparable properties • Adjustments related to the lot surface area • Adjustments related to the building surface area • Improvements that help increase the property's value • Estimate of depreciation • Assessment of the statement of income and expenses for the properties • Analysis limitations 	<ul style="list-style-type: none"> • Make an appropriate selection of comparable real estate assets • Accurately estimate the factors included in calculating the market value of a real estate asset • Adequately assess the income and expenses related to a real estate asset • Accurately calculate the approximate value of a real estate asset based on the net income multiplier method

COMPETENCY 3

Competency components and subcomponents	Contents	Performance criteria
3.6 Identify the elements of a property appraisal report	<ul style="list-style-type: none">• Report components<ul style="list-style-type: none">- Introduction- Analysis methodology- Analysis limitations- Description of comparable assets and/or costs- Adjustments to the property's value- Depreciation- Estimate of market value	<ul style="list-style-type: none">• Correctly identify the relevant elements of the report

COMPETENCY 4

The following competency is a general competency in the mortgage brokerage sector. It can be taught by educational institutions to individuals who would like to start a career but have no knowledge of the industry. It can also be taught to individuals who want to upgrade their knowledge.

Competency statement

Complete a commercial mortgage brokerage transaction suited to the client's situation and goals

Achievement context

For a real estate transaction on a building with five or more residential units or a commercial, industrial or other building

- Based on
 - Legislation and regulations relating to the mortgage brokerage sector
 - *Act respecting the distribution of financial products and services* (Distribution Act) and its regulations
 - Standards, procedures and guidelines
 - Compliant mortgage brokerage contracts
- Using
 - Financial documents
 - Web, digital and paper reference sources
 - Procedures
 - Information technology (IT) tools

Performance criteria for the competency as a whole

- Complete a commercial mortgage brokerage transaction using a rigorous, compliant approach
- Comply with the legislation and regulations in effect
- Comply with the ethical obligations and duties governing mortgage brokerage

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>1. Understand the basic concepts relating to the mortgage brokerage sector</p>	<ul style="list-style-type: none">• Existing types of mortgages and their features<ul style="list-style-type: none">- Conventional mortgage- Collateral mortgage- Legal hypothec• Types of mortgage loans<ul style="list-style-type: none">- Fixed-rate mortgage- Variable-rate mortgage- Open mortgage- Closed mortgage- Convertible mortgage- Reverse mortgage- Undivided co-ownership mortgage- High-ratio mortgage- Collateral or umbrella mortgage- Home equity line of credit- Bridge loan- Renovation loan- Syndicated loan- Other products• Interest<ul style="list-style-type: none">- Simple interest- Compound interest• Amortization• Payment• Down payment	<ul style="list-style-type: none">• Have an appropriate understanding of the basic concepts relating to the mortgage brokerage sector

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
1.1 Understand the factors affecting the commercial mortgage market	<ul style="list-style-type: none">• Mortgage supply and demand<ul style="list-style-type: none">– Asset purchases– Renewal, subrogation/transfer and refinancing– Structure of lender market<ul style="list-style-type: none">✓ Banking institutions, caisses populaires/credit unions and trust companies✓ Private lenders– Application structure<ul style="list-style-type: none">✓ Types of applicants (commercial, industrial, institutional)✓ Types of products• Economy• Key policy rate• Prime rate• Demographics• Politics• Social factors	<ul style="list-style-type: none">• Have an appropriate understanding of the factors affecting the commercial mortgage market

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>1.2 Understand the appraisal process for a commercial property</p>	<ul style="list-style-type: none"> • Market value of land for commercial or industrial use • Cost approach • Direct comparison approach • Gross income multiplier (GIM) method • Net income multiplier (NIM) method • Equipment value • Improvements and depreciation • Analysis limitations 	<ul style="list-style-type: none"> • Have an adequate understanding of the various real estate asset appraisal methods and analysis limitations
<p>2. Open the client file</p>	<ul style="list-style-type: none"> • Elements involved in opening a commercial client file 	<ul style="list-style-type: none"> • Open a compliant file
<p>2.1 Inform the client about the commercial mortgage brokerage process</p>	<ul style="list-style-type: none"> • Mortgage broker's role • Steps in a commercial mortgage brokerage transaction 	<ul style="list-style-type: none"> • Have an appropriate understanding of the mortgage broker's role • Have an adequate understanding of the steps in a commercial mortgage brokerage transaction

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
2.2 Inform the client about the components of the commercial mortgage brokerage contract	<ul style="list-style-type: none">• Information required for commercial mortgage brokerage transaction<ul style="list-style-type: none">– Reason for application– Terms and conditions of mortgage brokerage contract<ul style="list-style-type: none">✓ Purpose and duration of mandate✓ Parties' rights and obligations under the mortgage brokerage contract✓ Fees related to the transaction✓ Compensation terms and conditions for mortgage firm or mortgage broker✓ Dispute settlement mechanisms✓ Terms and conditions	<ul style="list-style-type: none">• Have an in-depth understanding of the terms and conditions in a commercial mortgage brokerage transaction• Have specific knowledge of the dispute settlement mechanisms set out in the commercial mortgage brokerage contract
2.3 Verify the file opening	<ul style="list-style-type: none">• Verification of the identity of the client and the client's designated representative• Verification of legal capacity to contract• Board of Directors' borrowing resolution	<ul style="list-style-type: none">• Accurately determine the information needed to open a file• Perform a compliant verification of the borrower's or borrowers' identity• Adequately verify the parties' capacity to contract

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>2.4 Deposit the down payment in the trust account</p>	<ul style="list-style-type: none"> Rules for managing trust account 	<ul style="list-style-type: none"> Be familiar with the obligations for holding trust accounts
<p>3. Enter into a commercial mortgage brokerage contract</p>	<ul style="list-style-type: none"> Signing procedure for a commercial mortgage brokerage contract 	<ul style="list-style-type: none"> Enter into a compliant commercial mortgage brokerage contract
<p>3.1 Gather information about the client's situation</p>	<ul style="list-style-type: none"> Supporting documents needed for financing applications <ul style="list-style-type: none"> Client's status (natural person, general partnership, company) Incorporation documents, list of officers and directors, use of CIDREQ (Québec enterprise register), etc. Board of Directors' borrowing resolution Financial statements Value of the client's assets Proof of down payment Other financial commitments Calculations of relevant ratios Other documents 	<ul style="list-style-type: none"> Clearly identify the types of business structure, how they are established and how they operate Determine the appropriate supporting documents to be provided in compliance with the mortgage lenders' requirements

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
3.2 Define the real estate asset to be financed	<ul style="list-style-type: none">• Selling price and other data concerning regular mortgage underwriting• Property taxes (municipal, school, infrastructure)• Special assessments (municipal taxes, condo fees, etc.)• List of immovable and movable property (machinery, equipment, furniture) included in the transaction• Financial statements and budget projections for real estate assets• Legal documents (contracts, leases, loan agreements, titles, co-ownership documents, legal proceedings, etc.)• Appraisal, inspection and environmental characterization reports• Tests and expert analysis, etc.	<ul style="list-style-type: none">• Obtain detailed information• Adequately define the market for the real estate assets to be financed• Accurately evaluate the financial statements based on the real estate assets• Accurately estimate the value of the financing application and repayment• Determine the specific terms and conditions of the financing application

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>3.3 Inform the client about the financing options available</p>	<ul style="list-style-type: none"> • Types of lenders • Existing types of mortgage products and their features • Requirements related to commercial underwriting <ul style="list-style-type: none"> – Mortgage insurance – Title insurance – Damage insurance – Life insurance for officers and directors – Guarantee/suretyship – Etc. 	<ul style="list-style-type: none"> • Clearly identify the types of lenders and their characteristics • Clearly explain the specific features of the various mortgage products available • Clearly explain the requirements related to commercial underwriting • Correctly understand the Guidelines of the Office of the Superintendent of Financial Institutions (OSFI)
<p>4. Analyze the client's financial situation</p>	<ul style="list-style-type: none"> • Methods of analyzing the client's financial situation 	<ul style="list-style-type: none"> • Accurately analyze the client's financial situation
<p>4.1 Differentiate the various financial and accounting concepts</p>	<ul style="list-style-type: none"> • Basic accounting concepts • Balance sheet items • Various financial statements vs. revenue and expenses for the building to be financed 	<ul style="list-style-type: none"> • Understand basic accounting concepts • Identify the balance sheet items • Identify the various financial statements vs. revenue and expenses for the building to be financed

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>4.2 Analyze the client's financial statements</p>	<ul style="list-style-type: none"> • Ratios for evaluating business solvency <ul style="list-style-type: none"> - Working capital - Liquidities - Cash - Debt ratio - Interest coverage ratio - Profitability ratio - Other relevant ratios 	<ul style="list-style-type: none"> • Take the relevant information into account • Give adequate weighting to information elements • Accurately interpret the client's profitability
<p>4.3 Analyze the commercial real estate transaction to be financed</p>	<ul style="list-style-type: none"> • Analysis of the commercial real estate transaction to be financed <ul style="list-style-type: none"> - Client's financial situation - Client's goals - Approximate value of property - Collateral, security, guarantees/suretyships and risk management - Transaction fees (notary, inspections, appraisal, insurance, etc.) - Tax impacts of the transaction (GST/QST, land transfer fees/duties on transfers, capital gains, tax credits) • Gross debt service (GDS) • Total debt service (TDS) • Loan-to-value (LTV) ratio • Debt service coverage ratio 	<ul style="list-style-type: none"> • Take the client's financial situation and goals into account • Perform accurate financial calculations • Accurately interpret the financial information received • Comply with the Guidelines of the Office of the Superintendent of Financial Institutions (OSFI) • Comply with sector standards

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>4.3 Analyze the commercial real estate transaction to be financed (continued)</p>	<ul style="list-style-type: none"> • Stress test analysis • Value in use vs. market value • Summary analysis of commercial leases <ul style="list-style-type: none"> – Commercial vs. residential leases – Leasing offer – Rent calculations – Non-monetary clauses – Monetary clauses – Leasehold improvements – Term and options 	
<p>4.4 Interpret the relevant financial information</p>	<ul style="list-style-type: none"> • Interpretation methods • Regular industry standards 	<ul style="list-style-type: none"> • Carefully take the relevant information into account • Give adequate weighting to the relevant elements • Accurately interpret the financial information
<p>4.5 Perform the relevant mortgage calculations</p>	<ul style="list-style-type: none"> • Principal and interest payment calculation • Amortization calculation • Periodic and total interest calculation 	<ul style="list-style-type: none"> • Perform mortgage calculations accurately

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>5. Recommend a commercial mortgage financing product suited to the client's situation and goals</p>	<ul style="list-style-type: none"> • Commercial mortgage financing products 	<ul style="list-style-type: none"> • Recommend a commercial mortgage financing product suited to the client's financial situation and goals
<p>5.1 Come up with commercial mortgage financing options</p>	<ul style="list-style-type: none"> • Commercial real estate transaction • Types of lenders • Existing types of mortgage products and their features according to the type of lender • Balance of purchase price • Mortgage insurance • Other transaction fees 	<ul style="list-style-type: none"> • Carefully take the information into account
<p>5.2 Propose commercial mortgage financing products suited to the client's situation and goals</p>	<ul style="list-style-type: none"> • Methods of comparing financing options 	<ul style="list-style-type: none"> • Propose a commercial mortgage product suited to the client's situation and goals • Comply with the legislation and regulations in effect

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>5.3 Submit a commercial mortgage financing application to lenders</p>	<ul style="list-style-type: none"> • Commercial mortgage financing application • Disclosure obligations • Transaction records • Commercial mortgage fraud • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</i> • Mortgage lenders' standards • Standards of the Office of the Superintendent of Financial Institutions (OSFI) 	<ul style="list-style-type: none"> • Submit a financing application in compliance with the legislation and regulations in effect • Adequately detect potential commercial fraud situations • Comply with the rules of ethics and professional conduct • Comply with lenders' rules and standards • Provide accurate information on the conditions and follow-up for the commercial mortgage brokerage transaction
<p>5.4 Analyze lenders' proposals</p>	<ul style="list-style-type: none"> • Methods of comparing lenders' proposals 	<ul style="list-style-type: none"> • Accurately analyze proposed financing terms and conditions • Comply with ethical obligations and duties
<p>5.5 Negotiate terms and conditions with lenders</p>	<ul style="list-style-type: none"> • Negotiation methods <ul style="list-style-type: none"> – Amount – Rate – Amortization – Term – Conditions 	<ul style="list-style-type: none"> • Accurately analyze proposed financing terms and conditions • Comply with ethical obligations and duties

COMPETENCY 4

Competency components and subcomponents	Contents	Performance criteria
<p>6. Finalize the commercial mortgage brokerage transaction</p>	<ul style="list-style-type: none"> • Process for finalizing a commercial mortgage brokerage transaction 	<ul style="list-style-type: none"> • Complete a compliant commercial mortgage brokerage transaction
<p>6.1 Monitor the obligations, conditions and deadlines for completing the commercial mortgage brokerage transaction</p>	<ul style="list-style-type: none"> • Methods for monitoring the client's obligations and conditions • Methods for monitoring the lender's obligations and conditions • Methods for monitoring the obligations and conditions of other parties in the transaction 	<ul style="list-style-type: none"> • Closely monitor obligations and conditions • Meet deadlines
<p>6.2 Carry out the transactions to remunerate other parties involved</p>	<ul style="list-style-type: none"> • Remuneration for parties who made referrals in the file 	<ul style="list-style-type: none"> • Accurately calculate the remuneration • Comply with the legislation and regulations in effect • Comply with the rules of ethics and professional conduct • Remunerate the other parties appropriately
<p>6.3 Record the information in the file</p>	<ul style="list-style-type: none"> • Entering information about the mortgage loan in the records 	<ul style="list-style-type: none"> • Ensure compliant entry of the information in the records

COMPETENCY 5

The following competency is a general competency in the mortgage brokerage sector. It can be taught by educational institutions to individuals who would like to start a career but have no knowledge of the industry. It can also be taught to individuals who want to upgrade their knowledge.

Competency statement

Analyze a legal person's financial situation

Achievement context

- Based on
 - Financial data
- Using
 - Web, digital and paper reference sources
 - Necessary equipment, material and technology tools

Performance criterion for the competency as a whole

- Accurately analyze a legal person's financial situation

COMPETENCY 5

Competency components and subcomponents	Contents	Performance criteria
<p>1. Differentiate the different financial and accounting concepts</p>	<ul style="list-style-type: none"> • Types of financial statements and their purpose <ul style="list-style-type: none"> – Income statement – Statement of revenues and expenses and their components – Statement of net worth and its components – Statement of equity 	<ul style="list-style-type: none"> • Correctly distinguish among the various financial statements
<p>1.1 Distinguish among the basic accounting concepts</p>	<ul style="list-style-type: none"> • Assets/liabilities • Amortization • Gross income • Net income • Capital expenditure • Accrual basis vs. cash basis 	<ul style="list-style-type: none"> • Correctly distinguish among the basic accounting concepts
<p>1.2 Identify the balance sheet items</p>	<ul style="list-style-type: none"> • Purpose and use of the balance sheet • Basic accounting equation • Current assets and capital expenditures • Current and long-term liabilities • Shareholders' equity 	<ul style="list-style-type: none"> • Correctly identify the balance sheet items

COMPETENCY 5

Competency components and subcomponents	Contents	Performance criteria
<p>1.3 Distinguish among the various financial statements</p>	<ul style="list-style-type: none"> • Types of financial statements and their purpose <ul style="list-style-type: none"> – Income statement – Statement of revenues and expenses and their components – Statement of net worth and its components – Statement of equity – Statement of cash flow and its components 	<ul style="list-style-type: none"> • Correctly distinguish among financial statements and their purposes
<p>2. Analyze the financial statements for the business</p>	<ul style="list-style-type: none"> • Financial analysis for the business 	<ul style="list-style-type: none"> • Accurately analyze the financial situation for the business
<p>2.1 Analyze the solvency of the business</p>	<ul style="list-style-type: none"> • Ratios for evaluating business solvency <ul style="list-style-type: none"> – Working capital – Liquidities – Cash – Debt ratio – Interest coverage ratio – Profitability ratio – Other relevant ratios 	<ul style="list-style-type: none"> • Take the relevant information into account • Give adequate weighting to the relevant elements • Accurately interpret the solvency of the business

COMPETENCY 5

Competency components and subcomponents	Contents	Performance criteria
2.2 Analyze the project's feasibility/profitability	<ul style="list-style-type: none">• Analysis of the project's feasibility/profitability<ul style="list-style-type: none">– Collateral, security, guarantees/suretyships– Transaction fees (notary, inspections, appraisal, insurance, etc.)– Tax impacts of the transaction (GST/QST, land transfer fees/duties on transfers, capital gains, tax credits)	<ul style="list-style-type: none">• Take the relevant information into account• Give adequate weighting to the relevant elements• Accurately analyze the financial management for the business
2.3 Analyze the profitability of the business	<ul style="list-style-type: none">• Ratios for evaluating business profitability<ul style="list-style-type: none">– Gross return on sales– Net return on sales– Return on total assets– Return on invested capital	<ul style="list-style-type: none">• Take the relevant information into account• Give adequate weighting to the relevant elements• Accurately interpret the profitability of the business

COMPETENCY 5

Competency components and subcomponents	Contents	Performance criteria
2.4 Analyze the other relevant financial indicators	<ul style="list-style-type: none">• Gross debt service (GDS)• Total debt service (TDS)• Loan-to-value (LTV) ratio• Summary analysis of commercial leases<ul style="list-style-type: none">– Commercial vs. residential leases– Leasing offer– Rent calculations– Non-monetary clauses– Monetary clauses	<ul style="list-style-type: none">• Perform accurate financial calculations• Accurately interpret the financial information received• Comply with sector standards
2.5 Interpret the calculated information	<ul style="list-style-type: none">• Weighting of financial information• Regular industry standards	<ul style="list-style-type: none">• Take the relevant information into account• Give adequate weighting to the relevant elements• Use ratios correctly• Accurately interpret a legal person's financial situation

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