

COMPULSORY PROFESSIONAL DEVELOPMENT IN MORTGAGE BROKERAGE

Guide for professional development
activity providers



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Legal deposit – Bibliothèque et Archives nationales du Québec, 2024

ISBN: 978-2-550-97334-8 (PDF)

ISBN: 978-2-550-87214-6 (PDF, 1st Edition, 2020)

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Introduction

Established through a merger of five organizations on February 1, 2004, the Autorité des marchés financiers (AMF) is mandated by the Québec government to ensure the integrated regulation of Québec's financial sector and to assist financial consumers. Within the scope of its mandate, the AMF performs its functions in a manner that fosters public and business confidence by, among other things, ensuring the competence of financial sector agents, brokers and representatives.

Bill 141,¹ which was passed and assented to on June 13, 2018, provides for, among other things, integration of the minimum qualifications and compulsory professional development activities for mortgage brokers into the career entry activities assumed by the AMF under the *Act respecting the distribution of financial products and services*.

This guide sets out the principles and criteria applied by the AMF for recognizing professional development activity providers and the training activities they give. The criteria used to recognize the personal training activities taken by mortgage brokers and responsible officers are also explained.

1. Recognition of professional development activity providers

To be recognized as a professional development activity provider, applicants must be eligible and satisfy the principles established by the AMF. When applying for recognition, they must use the appropriate form and pay the related fees. They must also provide the required supporting documents. Eligible professional development activity providers that satisfy the principles set out in this guide will enter into a recognition agreement with the AMF.

1. *An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions*, 2018, c. 23.

1.1 Eligibility

The AMF will accept applications for recognition as professional development activity providers from:

- Individual trainers
- Associations
- Training bodies
- Educational institutions
- Regulators or self-regulatory organizations
- Financial institutions or mortgage lenders
- Credit agencies
- Mortgage insurers or title insurers
- Training departments of mortgage brokerage firms

1.2 Guiding principles of the AMF's assessment

The following principles guide the AMF in its assessment of applicants as recognized professional development activity providers.

1.2.1 Program management

PRINCIPLE

Effective program management is essential in order to provide quality professional development

Applicants must designate a program administrator who is responsible for ensuring compliance with the principles outlined in this guide. Applicants who are individual trainers are also required to adhere to these principles.

- The program administrator must have a minimum of five years of experience in mortgage brokerage, financial services, compliance, financial services regulation or education.
- The program administrator must implement all the administrative and staffing processes relating to pedagogical planning and learning activities and design the summative assessments. He or she is also responsible for training delivery and assessment.
- The integrity, solvency and criminal and disciplinary records of the provider and the administrator, if applicable, must be declared.

The direct input of industry, education, legal and compliance professionals and regulatory bodies must be apparent at every stage of the program development process and in the planning of the training activities offered.

Registrations for professional development activities must be managed effectively.

- The provider must put in place an effective system to manage registrations and royalties payable to the AMF, if applicable. Participations in activities must be declared in a compliant manner.

Participants' personal information must be protected.

- Applicants must implement security measures to ensure the protection of personal information held by them, particularly the payment data of mortgage brokers who take part in professional development activities. These measures must be documented and comply with applicable laws and regulations.

Written procedures for examining participants' complaints fairly and diligently must be available.

- Written procedures for examining participants' complaints must be available to anyone who requests them. While these procedures need not be elaborate, they must clearly indicate the steps that will be taken when a complaint is examined. A complaints register must be maintained. All complaints and their outcomes must be recorded in the register.

1.2.2 Pedagogical development process

PRINCIPLE

A structured pedagogical development process fosters the successful completion of the professional development activities.

The pedagogical development process for the applicant's professional development activities must be structured.

- This process must include, in particular, the steps for creating professional development activities. It must also describe the methods used to define training needs, establish learning objectives, training strategies and delivery methods, and the assessment tools used to validate learning, where required.
- Individual trainers who wish to be recognized as professional development activity providers must prepare a training needs analysis, demonstrate the relevance of their application and submit a course plan for the training activity.

Professional development activities must be developed by qualified staff.

- Applicants must submit the qualifications of the staff responsible for the professional development activities. The qualifications of these individuals must include relevant training, level of education and experience related to the content to be delivered.

1.2.3 Delivery of training

PRINCIPLE

The effective delivery of professional development activities is decisive for the development of professional competencies and consumer protection.

Whether the training is delivered in-class or on-line, the environment must be conducive to learning.

- For in-class training activities: noise level, lighting, space and temperature (heating and air conditioning).
- For on-line training activities: environment, ease of use, design, colours, readability, on-line help and user support.

For all recognized professional development activities, trainers must be able to monitor mortgage brokers' attendance and measure their learning time.

- For in-class training activities or lectures: a description of the methods and technologies used to monitor attendance.
- For on-line training activities: the learning environment must allow trainers to monitor and measure learners' attendance. A connection report is required.



Applicants must choose trainers who have expertise in the training content. Individual trainers must have this expertise themselves.

- Applicants must submit their trainer qualification requirements. The qualifications must include:
 - experience related to the training content, mortgage brokerage, certification/licensing, education, languages and teaching experience; and
 - the integrity, solvency and civil and criminal judicial history of the trainer, if applicable, must be verified.

For training delivered in different languages, applicants must ensure equivalent and satisfactory quality.

- There must be no significant difference in the qualifications of trainers.
- The pedagogical material and content must be of identical quality.
- Efforts must be made to use certified translators and revisers.

Applicants must have sufficient means to support learning.

- Applicants must provide quality support to participants and ensure that they have sufficient staff to offer such support for the number of participants registered.

1.2.4 Assessment of professional development activities

PRINCIPLE

Professional development activities are assessed effectively so that they can be continually improved.

A system of continuous improvement must be established to ensure the quality of training services.

- Participants must be surveyed about their achievement of the learning objectives of the training activities.
- The participant satisfaction rate must be assessed.
- The survey results must be used to improve the training.
- The survey conducted must be submitted to the AMF upon request.
- The survey results must be kept for a period of two years from the end of the training validity period.

1.3 Agreement granting recognition as a professional development activity provider

Applicants who meet all the requirements must enter into a recognition agreement with the AMF. This agreement sets out the rights and obligations of the parties, among other things. The agreement is valid as long as the professional development activity provider satisfies the recognition criteria and the obligations specifically set out in the agreement. The agreement can be terminated.

1.4 Refusal to grant recognition as a professional development activity provider

If the AMF refuses to grant recognition as a professional development activity provider, the applicant has 15 days following the date of the AMF's decision to submit its observations and request a review of the decision. The review decision is final.

1.5 Revocation of recognition as a professional development activity provider

The AMF may revoke the recognition of a professional development activity provider for the following reasons:

- The provider no longer satisfies all the recognition criteria established by the AMF.
- The provider petitions for bankruptcy, whether voluntary or involuntary, is appointed a receiver or liquidator or makes an assignment for the benefit of creditors; or an event interrupts the provider's business activities.
- The provider, any of its directors or the program administrator has been convicted of a criminal, penal or disciplinary offence in a matter relating to the professional development activities given.
- The provider breached the recognition agreement.
- The provider's conduct harms the AMF's reputation.
- An audit reveals unsatisfactory training practices.
- Serious and/or repeated complaints by participants are determined to have merit.

When a training provider's recognition is revoked, the provider must cease to promote itself as a recognized professional development activity provider and to promote its activities as being permitted by the AMF. The professional development units (PDUs) awarded while the agreement was in effect are entered in the records of the mortgage brokers who participated in the activities.

2. Recognition of training activities of a recognized professional development activity provider

In order to have each of their training activities recognized, professional development activity providers must use the appropriate form and pay the related fees. They must also provide the required supporting documents.

The principles applied by the AMF in assessing the professional development activities submitted for recognition are as follows.

2.1 Eligible training activities

To be recognized, the training activities must cover the following topics:

- the legislative and regulatory framework governing the pursuit of activities as a mortgage broker
- ethics, professional conduct and professional practice of mortgage brokers
- keeping of records and registers
- developments in the mortgage market
- financing products secured by immovable hypothec or the underwriting standards for such products
- mortgage brokerage
- personal and business accounting
- individual and business credit
- mortgage (hypothecary) loan insurance and title insurance
- risk management
- prevention of fraud or money laundering
- new technologies associated with mortgage brokerage, financial services or financial technologies
- firm start-up and management
- management of human, material, information or financial resources
- compliance with standards

Therefore, the AMF will recognize any training activity it considers to be relevant if the activity covers any of these topics and satisfies all the recognition criteria below.

The following activities are not eligible:

- any minimum qualification training activity in mortgage brokerage
- any personal growth activity
- any activity relating mainly to internal procedures
- any activity on selling or promoting a product
- any activity relating to client solicitation
- any activity intended to disseminate the trainer's personal opinions
- any self-learning activity without a summative assessment (reading of books or articles, on paper or on-line)
- any activity without educational value, such as a cocktail, study group or interest group (board, committee, etc.)

2.2 Needs analysis

PRINCIPLE

The training needs analysis is the basis for developing relevant professional development activities.

The relevance of the professional development activity must be determined by a training needs analysis.

- The training needs analysis must define the existing problem and the link with the pursuit of mortgage brokerage activities.
- The training need must be defined based on a gap to be filled, such as a gap in knowledge, skills or professional attitudes and behaviours that needs to be corrected and which affects the performance of the individuals to be trained in the topics covered by the eligible activities listed in section 2.1.
- Information sources must be indicated.

2.3 Definition of learning objectives

PRINCIPLE

Clear learning objectives based on the needs analysis help learners acquire and maintain their professional competencies.

The learning objectives must be based on the training needs described in the needs analysis.

- A clear link must exist between the learning objectives and the activities of a mortgage broker or responsible officer; the objectives must contribute to protecting the public and help to maintain or strengthen the professional competencies of mortgage brokers and responsible officers.
- The learning objectives must be stated in writing in the form of knowledge, skills or abilities and set out what is expected of participants at the end of the activity.
- The learning objectives must include knowledge, skills and abilities as measurable criteria. They must be stated clearly and concisely.
- The number of objectives may vary depending on the amount of time allocated to the training and the variety of learning strategies used.



2.4 Training content and learning strategies

PRINCIPLE

Consumer protection is promoted through training content that complies with current knowledge and the legal framework in effect and involves varied learning strategies.

The training content must comply with current knowledge and the legal framework applicable to the mortgage broker or responsible officer function.

- Applicants must provide a training plan. The plan must explain the learning objectives, the training content related to the objectives, the learning strategies used, their expected duration, and the performance criterion sought.
- A bibliography must be provided to confirm the appropriateness of the training content.
- Where necessary, statistical, bibliographical and legal framework references must be specified to ensure compliance of training content and allow for updates.

The training content must comply with the defined learning objectives.

The teaching strategies must be aligned with the training content and the defined learning objectives.

2.5 Trainers

PRINCIPLE

Competent and honest trainers foster the transmission of learning.

Trainers must have expertise in the content of their training activity.

- Trainers must be adequately trained in or have relevant experience related to the subject matter of the training activity for which the professional development activity provider is seeking recognition.
- Trainers' integrity, solvency and civil and criminal judicial history, if applicable, must be verified.

2.6 Assessment of learning

PRINCIPLE

For activities where interaction between the trainer and participants is limited, participants' achievement of the learning objectives is demonstrated.

The learning assessment methods must be suitable for the defined learning objectives and performance criteria.

- The learning assessment must be planned for each learning objective included in the training plan. The assessment methods, conditions and criteria must be specified.
- The assessment methods must be suitable for the defined assessment objectives. They must reflect practical use in the profession.
- The assessment tools designed by content experts must be valid and fair.
- The assessment tools must comply with current knowledge and the legal framework in effect.

The assessment results are required when declaring a professional development activity, if applicable.

2.7 Recognition of training activities

The training activity is recognized on the date the AMF issues a recognition decision or from any other date stipulated in the decision. It is valid for 24 months or the period of time specified in the decision.



2.8 Refusal of recognition of a training activity

If the AMF refuses to recognize an activity, the applicant has 15 days following the date of the AMF's decision to submit its observations and request a review of its application. The review decision is final.

3. Modification of a professional development activity

Recognized professional development activity providers must inform the AMF of any modification of the activity that results in a significant change to the content, structure, type of training, number of training hours or any other aspect on which the AMF relied to recognize the activity. When submitting a new application for recognition, the provider must use the appropriate form and pay the related fees. The application must be submitted along with the new course outline and the related pedagogical material. The AMF will analyze the application to ensure that the training meets its recognition criteria. The application must be approved before the training activity can be held. The AMF reserves the right to revoke the recognition of an activity that no longer satisfies the recognition criteria. The applicant has 15 days following the date of the AMF's decision to submit its observations and apply for a review of the decision. The review decision is final.

4. Renewal of a professional development activity

Any provider wishing to renew a previously recognized professional development activity again must apply to renew the activity. A notice of renewal of a professional development activity in mortgage brokerage will be sent to the provider 45 days before the activity's expiry date. The application to renew the activity must be approved before the training activity can be held. The AMF reserves the right to revoke the recognition of an activity that no longer satisfies the recognition criteria. The applicant has 15 days following the date of the AMF's decision to submit its observations and request a review of the decision. The review decision is final.

5. Obligations of recognized professional development activity providers

Recognized professional development activity providers are required to comply with the provisions of the agreement granting them recognition as a professional development activity provider, including, without limitation:

- Following the training plan submitted to the AMF and ensuring that the content complies with current knowledge and the legal framework in effect.
- Complying with the legislation applicable to them pertaining to the protection of personal information.

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- Notifying the AMF when they want to modify the training plan and add or remove a trainer. The changes may not be made and the trainer may not give the training until the AMF approves the application.
- For all professional development activities, submitting the required supporting documents to the AMF.
- Responding to any request for information from the AMF, in particular, requests intended to assess compliance with the training objectives.
- When a training activity is held, ensuring that the trainer:
 - adheres to the training plan and duration approved by the AMF;
 - disseminates information consistent with the legislative framework in effect;
 - acts competently;
 - takes into account the limits of his or her abilities, knowledge and means;
 - has participants complete and sign an attendance sheet at the start and end of the professional development training activity, if applicable;
 - verifies the identities of the participants and confirms that they were present throughout the duration of the professional development activity;
 - has participants complete an assessment of learning, if applicable;
 - has participants complete a satisfaction questionnaire for the professional development activity, if applicable.
- Entering the 10-digit client numbers (individuals) in AMF E-Services of the participants in AMF E-Services. Within the timeframe agreed upon with the AMF, send each participant a certificate of participation or a certificate of exam or test results, if an assessment of learning is required for the professional development activity.
- Paying royalties for any training material produced by the AMF, as applicable.
- Keeping the documents relating to the training activity on file for two years from the date the activity is last given.
- Not engaging in or allowing, in any manner whatsoever, false, deceptive or misleading advertising about the content of the training activities they give or are called upon to give.



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