

Notice relating to upcoming changes to the *Residential Hypothecary Lending Guideline* in regard to certain products

Over the past year, the Autorité des marchés financiers (the “AMF”) has made changes to its *Residential Hypothecary Lending Guideline* (the “Guideline”) in order to provide the hypothecary (mortgage) lenders over which it has jurisdiction with a robust framework that is calibrated to account for changing market conditions and is harmonized with the framework for federally regulated mortgage lenders.

The AMF continues to closely monitor changes to the portfolios of the hypothecary lenders it regulates. Combined loan plans (e.g., home equity lines of credit), reverse residential hypothecary loans and residential hypothecary loans with shared equity features figure prominently among the AMF’s concerns, since these products can generate or even increase outstanding balances for borrowers. As recently stated in its [Annual Report on Financial Institutions \(in French only\)](#) and given the current economic context, the AMF is paying special attention to household indebtedness and the upward trend in outstanding balances on hypothecary loans, which are increasing the risk of loss for both lenders and borrowers.

With a view to enhancing resilience in the residential hypothecary lending industry and maintaining a level playing field among regulated mortgage lenders, the AMF intends to consult stakeholders over the coming year on the new changes to the Guideline with respect to these products. The changes will be effective September 30, October 31 or December 31, 2023, depending on the mortgage lender’s fiscal year-end.

If you have any questions, please contact:

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