

REGULATION TO AMEND THE REGULATION RESPECTING ALTERNATIVE DISTRIBUTION METHODS

Act respecting the distribution of financial products and services
(chapter D-9.2, ss. 202.2 and 223, pars. (5), (13.1) and (15))

1. The first paragraph of section 4 of the Regulation respecting alternative distribution methods (chapter D-9.2, r. 16.1) is amended:

(1) by replacing “the insurers” by “the names of the insurers” in subparagraph 4;
and

(2) by inserting the following after subparagraph 4:

“(5) the names of the lenders whose loans secured by immovable hypothec are proposed on the firm’s digital space.”.

2. The first paragraph of section 5 of the Regulation is amended by inserting “brokerage transactions engaged in in relation to a loan secured by immovable hypothec,” after “prepared,”.

3. The heading of Division III of Chapter II of the Regulation is replaced by the following:

“FIRM’S RESPONSIBILITIES TOWARDS CLIENTS”

4. Section 7 of the Regulation is amended by inserting “, 9.3 to 9.6, 9.8” after “9.1”.

5. The Regulation is amended by inserting the following after section 12:

“§ 3. — Provisions specific to mortgage brokerage firms

“**12.1.** The provisions of sections 9.7, 9.9 to 9.11, the second paragraph of section 16.7, the first paragraph of section 16.8 and section 16.9 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10) apply, with the necessary modifications, to a firm that, without the intermediary of a natural person, engages in a brokerage transaction in relation to a loan secured by immovable hypothec.

“**12.2.** The firm must, at the time it proposes a loan secured by immovable hypothec, provide the client with the following information through its digital space:

(1) the name and contact information of the lender whose loan secured by immovable hypothec is proposed;

(2) the nature, characteristics, advantages and disadvantages of the proposed loan secured by immovable hypothec;

(3) the penalties applicable in the event of a failure to comply with the terms and conditions of the loan agreement;

(4) the fees and other costs associated with obtaining the proposed loan secured by immovable hypothec;

(5) the period of time the interest rate is available and the period of time the other characteristics and terms and conditions of the loan are available.

Similarly, the firm must provide the client with a summary of the information collected from him.”.

6. The second paragraph of section 28 of the Regulation is amended by inserting “of the specimen” after “sections”.
7. The first paragraph of section 29 of the Regulation is amended by replacing “the insurance certificate” by “insurance certificate” in subparagraph 15.
8. This Regulation comes into force on 1 May 2020.