

Draft Regulations

Act respecting the distribution of financial products and services

(chapter D-9.2, ss. 200, 202, 203, 202.1, 202.2, 203, 223 and 225)

Regulatory consultation relating to the mortgage brokerage sector

Notice is hereby given by the *Autorité des marchés financiers* that, in accordance with section 217 of the *Act respecting the distribution of financial products and services*, CQLR, c. D-9.2, the following regulations, the texts of which are published hereunder, may be made by the *Autorité des marchés financiers* and subsequently submitted to the Minister of Finance for approval, with or without amendment, after 45 days have elapsed since their publication in the Bulletin of the Authority:

- *Regulation to amend the Regulation respecting firms, independent representatives and independent partnerships;*
- *Regulation to amend the Regulation respecting the issuance and renewal of representatives' certificates;*
- *Regulation to amend the Regulation respecting the pursuit of activities as a representative;*
- *Regulation respecting the compulsory professional development of mortgage brokers;*
- *Regulation to amend the Regulation respecting the registration of firms, representatives and independent partnerships;*
- *Regulation to amend the Regulation respecting alternative distribution methods;*
- *Regulation to amend the Regulation respecting information to be provided to consumers;*
- *Regulation to amend the Regulation respecting the keeping and preservation of books and registers.*

Notice is also hereby given by the *Autorité des marchés financiers* (the "Authority") that, in accordance with section 217 of the *Act respecting the distribution of financial products and services*, CQLR, c. D-9.2 (the "Distribution Act" or the "Act"), the following Draft Regulation, the text of which is published hereunder, may be made by the Authority and subsequently submitted to the Government of Québec for approval, with or without amendment, after 45 days have elapsed since its publication in the *Gazette officielle du Québec* and the Bulletin of the Authority:

- *Regulation to amend the Regulation respecting fees and contributions payable.*

The Draft Regulations are also available under "Public consultations" on the Authority's website at www.lautorite.qc.ca. For ease of reading, the Authority also offers an administrative version of the complete regulations as they would be amended.

Purpose of the Draft Regulations

An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions (2018, chapter 23) introduced a number of changes to the Distribution Act. In particular, on May 1, 2020, mortgage brokers, who are currently subject to the *Real Estate Brokerage Act*, CQLR, c. C-73.2 and the regulations of the *Organisme d'autoréglementation du courtage immobilier du Québec* (the "Organization"), will become representatives within the meaning of the Distribution Act and will be regulated by the Authority. Consequently, mortgage brokerage will become another sector subject to the Distribution Act.

The relevant provisions of the Distribution Act as they will read on May 1, 2020 are reproduced in the annex hereto.

A primary consideration in making the Draft Regulations, which will provide a framework for the new sector of mortgage brokerage, was to promote the protection of consumers. As the Draft Regulations are intended to provide a framework for mortgage brokerage activities while respecting the other activities currently governed by the Distribution Act and its regulations, the Authority has chosen to apply the existing framework for the other sectors governed by the Act to mortgage brokerage. However, it is also proposing to add rules specific to this sector to take into account the sector's particular characteristics. The Authority sought feedback from mortgage brokerage industry stakeholders that it met with in the course of its work and is proposing a body of regulations adapted to the reality of the mortgage brokerage sector.

The Authority intends to continue its work on private lenders, other alternative lenders and syndicated loans. It may establish rules in these areas in a subsequent phase of regulatory work.

Mortgage brokerage

Under the Distribution Act as it will read on May 1, 2020, a mortgage broker is a natural person who, for others and in return for remuneration that is contingent on the making of a loan secured by immovable hypothec, engages in a brokerage transaction relating to such a loan. He is the holder of a certificate issued by the Authority.

The Distribution Act stipulates that certain people are not mortgage brokers (and therefore benefit from an exception to the requirement to hold a mortgage broker's certificate) when they engage in a mortgage brokerage transaction.

The Authority has already published information about client referrals and real estate brokers: <https://lautorite.qc.ca/en/professionals/mortgage-brokerage-supervision-to-be-transferred-to-the-amf-on-may-1-2020/real-estate-brokers-and-mortgage-brokerage-referrals/>

Authorization to pursue an activity subject to the Distribution Act

The term "representative" is used in the Act to refer to a person to whom the Authority has issued a certificate authorizing him or her to pursue activities in the sector or sectors covered by the certificate. A representative may pursue activities in more than one sector.

Transition – Holders of a mortgage broker’s licence issued under the Real Estate Brokerage Act prior to April 30, 2020 will become representatives who hold a certificate issued under the Distribution Act on May 1, 2020.

On May 1, 2020, holders of a mortgage broker’s licence will become representatives who hold a certificate issued under the Distribution Act authorizing them to act in the mortgage brokerage sector. This will also be the case for real estate brokers who, prior to August 1, 2019, notified the Organization of their intention to continue to carry on mortgage brokerage activities after May 1, 2020.

These new certificate holders will have to pay the fees associated with their certificate and provide certain information required by the Authority. A notice to this effect will be sent to them after May 1, 2020.

Obtaining a representative’s certificate

As of May 1, 2020, anyone who wishes to obtain a certificate in the sector of mortgage brokerage will have to satisfy the requirements set out in the regulations administered by the Authority.

To obtain a representative’s certificate issued by the Authority, a future representative (the “candidate”) must complete the career entry process:

1. meet the minimum qualifications;
2. pass the examinations prescribed by the AMF;
3. complete a probationary period in a work environment; and
4. apply for a representative’s certificate in accordance with the Regulation respecting the issuance and renewal of representatives’ certificates, CQLR, chapter D-9.2, r. 7.

It is therefore proposed to amend the Regulation to specify the requirements for obtaining a representative’s certificate in the sector of mortgage brokerage.

Specifically, candidates who wish, as of May 1, 2020, to obtain a representative’s certificate in the sector of mortgage brokerage would be required to complete the minimum qualifications enabling them to acquire the skills that will be evaluated in the Authority’s examinations. The training would be provided by an educational institution or private course provider offering a mortgage brokerage training program recognized by the Authority.

Candidates who complete the minimum qualifications would then be able to register for the Authority’s examinations. After passing the examinations, candidates would be required to complete a 12-week probationary period, under the supervision of a supervisor who is a mortgage broker, in order to develop their competencies and gradually carry on activities as a mortgage broker.

Candidates who meet all of the above conditions would then be able to apply to obtain a certificate in accordance with the Regulation. A certificate is renewed every year.

For more information about the steps to take to become a representative under the Distribution Act, visit the Authority's website: <https://lautorite.qc.ca/en/becoming-a-professional/>

Information about certificate renewal is available at:
<https://lautorite.qc.ca/en/professionals/firms-and-representatives/representatives/renewal-of-certificate/>

For additional general information about representatives, their obligations and the procedures they must follow, see the Authority's website at the following links:

<https://lautorite.qc.ca/en/professionals/firms-and-representatives/representatives/>

<https://lautorite.qc.ca/en/professionals/firms-and-representatives/obligations-and-administrative-procedures/>

Transition – Candidates who began the process with the Organization prior to May 1, 2020

The Authority is proposing to enable anyone who, prior to May 1, 2020, began the process leading to authorization to carry on mortgage brokerage activities with the Organization to continue that process with the Authority.

Individuals who have successfully completed their basic training with the Organization would be able to register for the Authority's examinations and then complete the probationary period before applying for a certificate.

Candidates who have passed the Organization's examinations, however, would not have to complete a probationary period if they applied to the Authority for a certificate during the year after they pass the examinations.

Choosing a way to carry on business

After completing the career entry process, individuals wishing to obtain a certificate must choose a way to carry on business. They may elect to:

- act on behalf of a firm, i.e., a legal person duly registered with the Authority as a firm;
- be a partner or employee of an independent partnership, i.e., a group made up of at least two representatives acting through a general partnership and registered with the Authority as an independent partnership; or
- be an independent representative, in which case, the representative is registered in this capacity.

Firms, independent partnerships and independent representatives will be collectively referred to hereinafter as "registrants".

Acting on behalf of more than one firm

The *Real Estate Brokerage Act* does not permit a mortgage broker to act for more than one agency.

The Distribution Act allows a representative to act for more than one firm. Representatives who wish to pursue activities in more than one sector may therefore act for firms registered in the sectors concerned. For example, a mortgage broker could pursue activities as a mortgage broker on behalf of two different mortgage brokerage firms or pursue activities in another sector, such as insurance of persons, and act on behalf of both a mortgage brokerage firm and an insurance of persons firm.

A mortgage broker who acts for more than one firm would have to comply with the applicable rules for representation, which aim to ensure transparency so that this situation does not cause any confusion. Moreover, a firm could require representatives to act exclusively for it in its agreements with them.

Remuneration

The term “remuneration” is used in the Distribution Act and its regulations to mean what representatives or registrants receive in consideration of the sale of a product or the provision of a service, regardless of the form it takes. Types of remuneration may include salary, commission, compensation (remuneration paid by the client) or other benefits, such as a bonus.

Under the Distribution Act, the registrant receives the remuneration and gives the representative the amount that he or she is owed.

For more information on this matter, please visit the Authority's site:

<https://lautorite.qc.ca/en/professionals/firms-and-representatives/obligations-and-administrative-procedures/payment-of-remuneration/>

Compulsory professional development

The Authority is proposing that mortgage brokers be required to complete professional development activities in order to accumulate at least 24 professional development units (“PDUs”) during each two-year reference period. Of the 24 PDUs, at least 3 PDUs would have to be related to training activities pertaining to compliance with standards, ethics and professional conduct or professional practice related to mortgage brokerage.

Mortgage brokers would be able to select training activities from among those recognized by the Authority, a list of which would be posted on its website. These training activities would be offered by a person who has obtained recognition from the Authority as a provider of professional development activities. It would also be possible for representatives to apply for recognition of an activity that they have taken that is not included in the list.

Transition – Additional requirements for certain brokers authorized to engage in mortgage brokerage transactions under the Real Estate Brokerage Act

A licence holder who has not met the requirements under the Organization's Policy on continuing education on April 30, 2020 would have to remedy this situation and accumulate, for the reference period beginning on May 1, 2020, the missing continuing education units ("CEUs") in addition to the 24 PDUs proposed by the Authority.

Furthermore, real estate brokers who obtained their licence before May 1, 2010 and who become mortgage brokers on May 1, 2020 would be required to accumulate 6 additional PDUs related to mortgage brokerage activities in addition to the 24 PDUs proposed by the Authority.

Registration

Unlike a representative's certificate, which must be renewed every year, the registration does not have an expiry date. It is valid as long as it has not been cancelled, revoked or suspended or conditions or restrictions have been imposed on it pursuant to the Distribution Act. However, registration is subject to maintenance each year on May 1. Through the form registrants must complete, the annual registration maintenance process is used to verify whether registrants are still in compliance with the various registration requirements and to update their registration information.

Transition – Fees and contributions payable for registration

Mortgage agencies and mortgage brokers that will become registrants within the meaning of the Distribution Act will have to pay the required registration fees and the contribution to the *Fonds d'indemnisation des services financiers* (financial services compensation fund).

- ***Representations***

Registrants will be required to use a title prescribed by the regulations. However, mortgage agencies that become firms on May 1, 2020 will be able continue to use the term "agency" in their representations until no later than May 1, 2022.

For more information about firms, independent representatives and independent partnerships, please see the Authority's website at the following links:

<https://lautorite.qc.ca/en/professionals/firms-and-representatives/firms-independent-partnerships-and-independent-representatives/>

<https://lautorite.qc.ca/en/professionals/firms-and-representatives/obligations-and-administrative-procedures/>

To find out about the roles and responsibilities of registrants, refer to the [Registrant Governance and Compliance Guide](#).

Responsible officer

The Authority is proposing to adjust the rules applicable to the appointment of a responsible officer to reflect the requirements applicable to an executive officer of a mortgage agency. The person acting as the responsible officer would be responsible for ensuring that the activities of a firm or independent partnership are carried out in compliance with the Act. This would also be the case for independent representatives with regard to their activities.

The Authority is proposing to require that, for the sector of mortgage brokerage, independent representatives or persons appointed by firms or independent partnerships as their responsible officer hold a certificate authorizing them to act in the sector of mortgage brokerage and pass an examination pertaining to the skills that must be possessed by them in order to be registered or appointed as such.

Responsible officers, like mortgage brokers who are registered as independent representatives, would also be required to maintain their skills and satisfy professional development requirements enabling them to accumulate 6 PDUs per reference period as proposed in the draft Regulation respecting the compulsory professional development of mortgage brokers.

To learn more about the role of the responsible officer, please refer, for information purposes and subject to any necessary modifications, to page 24 and following of the [Registrant Governance and Compliance Guide](#).

Transition – Recognition of qualification as a responsible officer

Executive officers of mortgage agencies or executive officers of real estate agencies that have notified the Organization of their intention to continue to carry on mortgage brokerage activities after May 1, 2020 and those with a licence indicating that they are a broker certified to be an agency executive officer would not have to pass the Authority's examination pertaining to the skills that must be possessed by a responsible officer if they become a responsible officer before May 1, 2021.

Holders of a mortgage broker's licence acting on their behalf would not have to pass the examination prepared by the Authority pertaining to the skills that must be possessed by a responsible officer if they become an independent representative on May 1, 2020.

Holders of a real estate broker's licence who act on their behalf and become independent representatives on May 1, 2020 would be required to pass the Authority's examination before May 1, 2022 pertaining to the skills that must be possessed by a responsible officer in order to maintain their registration.

Keeping of a separate account

The Authority is proposing to adjust the rules regarding separate accounts set out in its regulations governing mortgage brokerage activities. These rules differ from the rules for opening and managing a trust account provided in the *Real Estate Brokerage Act* and its regulations. Registrants in mortgage brokerage would have to keep a separate account in which any amount received or collected on behalf of others would have to be deposited by the mortgage broker without delay. Mortgage brokers or registrants who receive or collect such an amount would also have to give the depositor a receipt containing the information indicated in the draft Regulation to

amend the Regulation respecting firms, independent representatives and independent partnerships.

Keeping of client records

Section 21.1 proposed in the draft Regulation to amend the Regulation respecting firms, independent representatives and independent partnerships lists the information and documents that the representative or registrant must include in the client record. In all cases, the client record must contain the information required to prove that the representative or registrant has complied with his obligations as regards the relationship with the client.

The Authority's regulations require the registrant to keep the following records and registers:

- Accounting books and records
- Register pertaining to the separate account
- A file on each client
- Commissions register (including sharing of commissions)
- Register of incentives

Pursuit of mortgage brokerage activities

The Authority is proposing to amend the Regulation respecting the pursuit of activities as a representative, CQLR, c. D-9.2, r. 10, to add rules specific to the pursuit of mortgage broker activities.

The Authority is proposing to clarify mortgage brokers' duties and obligations toward their clients. Consequently, the Authority is proposing that mortgage brokers explain to their clients what they are agreeing to do for them, the nature and scope of their services and, if applicable, the services rendered by the firm or independent partnership on behalf of which they are acting, so that the client is able to understand and evaluate their services. The purpose of this first step in a mortgage broker's relationship with a client is to ensure that clients know what to expect and clearly understand the scope and nature of the services that the mortgage broker and registrant are agreeing to provide.

Mortgage brokers would also have to obtain the information needed to assess the client's financial situation and identify the client's needs with respect to the proposed loan.

The regulatory proposal is to require mortgage brokers to appropriately advise their clients and give them all such information as may be necessary or useful. This requirement must be understood from a very broad perspective and enable the client to make an informed decision about the recommendation that will be made by the mortgage broker.

Although the brokerage contract requirements set out in the Organization's regulations have not been integrated into the Authority's regulatory framework, many of the disclosures required by the Organization have.

- ***Information relating to the mortgage loan***

In addition to the cost of the loan, mortgage brokers would also have to explain to the client all the other fees and costs to be borne. For example, they would have to explain the costs the client may have to incur to obtain the loan, for the services of a notary or any other professional (e.g.,

an appraiser, inspector or surveyor), the insurance costs or the administrative fees that may be charged by the lender.

Mortgage brokers would also be required to explain the features, advantages and disadvantages of the loan to their clients, including the loan's impact on their financial situation, and the penalties and the circumstances in which the penalties apply.

Some of the compiled information and the recommendations of the mortgage broker would have to be kept in the client record. The requirements for keeping client records are set out in the draft Regulation to amend the Regulation respecting firms, independent representatives and independent partnerships.

- ***Disclosures concerning lenders***

Mortgage brokers or registrants in mortgage brokerage would have to be able to have access to several lenders. Furthermore, it is proposed that mortgage brokers make a written disclosure to the client of the number of lenders that made loans secured by immovable hypothec for which they and the firm or the independent partnership on behalf of which they act engaged in a brokerage transaction during the previous 12 months. They would also be required to disclose the name of the lender that made more than 50% of the total number of loans secured by immovable hypothec or loan renewals for which they and the firm or the independent partnership on behalf of which they act engaged in a brokerage transaction during that same period.

- ***Reverse hypothec***

Considering the riskier nature of this type of hypothec, the Authority is proposing that mortgage brokers be required to receive from the borrower a written statement, signed by a lawyer or notary, stating that the lawyer or notary has given the borrower independent legal advice concerning the proposed loan prior to engaging in a brokerage transaction relating to such loan.

- ***Benefits offered to clients***

The Authority is including a specific provision in the Regulation respecting the pursuit of activities as a representative that would apply to mortgage brokers.

It is proposing that, with respect to mortgage brokerage, a broker be allowed to offer benefits (gifts, entry in a contest, etc.) for the benefit of clients, provided that the benefits are non-pecuniary, of a promotional nature and of low value or are accessible to all of their clients.

The Distribution Act already stipulates that a representative may not exert undue pressure on a client or use fraudulent tactics to induce the client to purchase a financial product or service.

As for the other benefits that would not be granted by the mortgage broker but rather by the lender, such as preferred rates, brokers or registrants in mortgage brokerage would be able to announce them publicly provided that they comply with all existing rules, particularly with respect to advertising.

Generally speaking, registrants in mortgage brokerage will not be able to, by any means, make false, misleading or deceptive representations or engage in false, misleading or deceptive advertising. They would not be permitted to use formulations that are likely to cause confusion regarding the value of the reward or the category of current or potential clients targeted by the offer or rebate. They must not appear to promise results that they are unable to provide and the service that they render must comply with their representations and advertising. For example, registrants who offer an interest rate from which only a small number of people could benefit would not be in compliance with the rules governing representations and advertising.

Specifically, the financial service offered would have to be described without emphasizing its advantages to the detriment of its disadvantages.

Furthermore, registrants or representatives who post an interest rate would be required to do so with the authorization of the lender.

- ***Disclosure of the method of remuneration and incentives***

Rules are proposed to ensure that clients properly understand the mortgage broker's method or methods of remuneration: remuneration paid by the mortgage lender, remuneration received from another person, compensation claimed from the client by the mortgage broker or a combination of these methods. Mortgage brokers must also disclose to the client the incentives that they may receive in connection with the services they render to the client or the fact that they intend to share the commission they receive.

Explanations about commission sharing rules are available on the Authority's website:
<https://lautorite.qc.ca/en/professionals/firms-and-representatives/obligations-and-administrative-procedures/sharing-of-commissions/>

The Authority has undertaken a review of the standards governing sales incentive management practices. The Authority may, at the conclusion of the review, propose amendments to the current framework for representatives that could have an impact on what is proposed for mortgage brokers.

- ***Incompatible activities***

Mortgage brokers would be able to pursue activities as a real estate broker, but only if they do not also pursue activities in another sector subject to the Distribution Act, since insurance representatives, claims adjusters and financial planners cannot also act as real estate brokers.

Special rules have been set out to address the conflict-of-interest risks to which representatives who also pursue activities other than those related to their certificate would be exposed. For example, rules of conduct prevent representatives from placing themselves in a conflict of interest, require them to place the interests of the client before their own and act with objectivity and independence.

- ***Mortgage broker acting as a lender***

Mortgage brokers would also be able to act as a lender. However, the Authority proposes that they not be permitted to act as a lender for a client for a period of 12 months from the date on which their services as a mortgage broker were rendered. This rule helps to avoid the obvious conflict of interest in which mortgage brokers would find themselves if they were to lend to a client.

- ***Mortgage brokerage over the Internet***

Under the Distribution Act, a brokerage transaction may be carried out over the Internet. The Authority proposes to amend the Regulation respecting alternative distribution methods, CQLR, chapter D-9.2, r. 16.1 applicable to the offering of financial products and services over the

Internet in order to include the offering of mortgage products and services without the intermediary of a natural person.

Considering that the Distribution Act allows firms or independent partnerships to offer products and services without the intermediary of a natural person, the Regulation applies to any firm or independent partnership that offers financial products and services, within the meaning of the Distribution Act, over the Internet.

A firm or independent partnership offering mortgage brokerage services over the Internet would therefore also be required to comply with the rules set out in the Regulation, which would apply in addition to the requirements that already apply to registrants under the Distribution Act and its regulations.

A firm or independent partnership offering mortgage brokerage services over the Internet would be required, in particular, to take the necessary steps to ensure that representatives, authorized to act in the sector of mortgage brokerage, interact in sufficient time with clients who express the need to interact with a representative.

Furthermore, as mentioned in section 86.0.1 of the Distribution Act, a firm or independent partnership offering a financial product or service over the Internet must comply with sections 17 to 19, which apply to representatives.

Therefore, when one or more loans are proposed to a client, for example, the firm or independent partnership would have to provide the client with the information necessary to make an informed decision. This includes, in addition to the information about the lender and the loan features, requiring that the client be told how long the proposed loan is available and how long the interest rate is available.

The firm or independent partnership must also provide a summary of the information about the client that was collected from the client and on which the recommendation was based.

For more information about the Regulation respecting alternative distribution methods, please see the [Notice relating to the application of the Regulation respecting alternative distribution methods](#).

Payment of fees and costs payable

After May 1, 2020, the Authority will oversee the professional development and conduct of representatives who practise in the sector of mortgage brokerage. For the other sectors, these supervisory functions are assumed by the *Chambre de la sécurité financière* and the *Chambre de l'assurance de dommages*, which impose a contribution on their members as well as certain professional development fees related to such supervision. Consequently, the Authority intends to consistently impose, pursuant to the draft Regulation to amend the Regulation respecting fees and contributions payable, an additional annual fee of \$250 on each representative authorized to act in the mortgage brokerage sector.

This Draft Regulation also introduces certain fees for applications for recognition submitted to the Authority pursuant to the draft Regulation respecting the compulsory professional development of mortgage brokers.

Comments

Comments regarding these Draft Regulations may be made before **November 16, 2019**, to the following:

Me Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, Tour Cominar
2640, boulevard Laurier, 3^e étage
Québec (Québec) G1V 5C1
Fax: 514-864-8381
E-mail: consultation-en-cours@lautorite.qc.ca

Unless otherwise noted, comments will be posted on the Authority's website at www.lautorite.qc.ca. Therefore, you should not include personal information directly in comments to be published. It is important that you state on whose behalf you are making the submission.

Additional Information

Further information is available by calling:

Geneviève Côté
Senior Policy Analyst
Distribution Policies and SROs
Autorité des marchés financiers
Telephone: 418-525-0337, ext. 4813
Toll-free: 1-877-525-0337

Cindy Côté
Analyst, Distribution Practices
Distribution Policies and SROs
Autorité des marchés financiers
Telephone: 418-525-0337, ext. 4814
Toll-free: 1 877 525-0337

Or by sending an e-mail to:

courtage.hypothecaire@lautorite.qc.ca

October 3, 2019

Annex

Relevant provisions of the Distribution Act as they will read on May 1, 2020

(Administrative version – unofficial)

1. A representative is either an insurance representative, a claims adjuster, a financial planner or a mortgage broker.

11.1. A mortgage broker is a natural person who, for others and in return for remuneration that is contingent on the making of a loan secured by immovable hypothec, engages in a brokerage transaction relating to such a loan.

11.2. The following persons are not mortgage brokers when they engage in a mortgage brokerage transaction:

(1) advocates, notaries, chartered appraisers, liquidators, sequestrators, trustees in bankruptcy and trustees, provided they engage in such a transaction in the exercise of their functions;

(2) members in good standing of the Ordre professionnel des comptables professionnels agréés du Québec;

(3) persons employed by a hypothecary creditor, provided they engage in such a transaction in the course of their principal occupation and only for that creditor;

(4) employees and exclusive representatives of an insurer, bank, deposit institution authorized under the Deposit Institutions and Deposit Protection Act (chapter A-26) or trust company authorized under the Trust Companies and Savings Companies Act (2018, chapter 23, section 395), when acting on behalf of their financial institution or of another financial institution that is part of the same financial group, in the context of a brokerage transaction relating to a loan secured by immovable hypothec; and

(5) a person who is a member in good standing of a professional order or who is governed by an Act administered by the Autorité des marchés financiers who only gives a client the name and contact information of a person or partnership offering loans secured by immovable hypothec or otherwise merely puts them in contact with each other, provided the member or person does so as an ancillary activity.

The expression “financial group” has the meaning assigned to it by section 147.

13. Representatives pursue their activities in the sectors or classes of sectors in which they are authorized to act by a certificate issued by the Authority.

The following are sectors:

- insurance of persons;
- group insurance of persons;
- damage insurance;
- claims adjustment;
- financial planning;

— mortgage brokerage.

70. A legal person offering financial products and services acts either as a single-sector firm or a multi-sector firm.

A single-sector firm is a firm that offers products and services in a single sector.

A multi-sector firm is a firm that offers products and services in more than one sector.

A firm is considered to offer products and services in the mortgage brokerage sector if it engages in mortgage brokerage transactions.

70.1. For the purposes of section 70, a hypothecary creditor is not a firm operating in the mortgage brokerage sector.