

COMPULSORY PROFESSIONAL DEVELOPMENT IN MORTGAGE BROKERAGE

Guide for mortgage brokers
and responsible officers
(2020-2022)



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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 seeks to improve the regulation of Québec's financial sector, "further builds on Québec's regulatory model and consolidates the AMF's role as a single window, an avenue conducive to both consumers and industry stakeholders."² Bill 141, which was passed on June 13, 2018, provides, among other things, for the integration of the qualification, professional development and disciplinary activities applicable to mortgage brokers, then subject to the *Real Estate Brokerage Act*, into the career entry activities assumed by the AMF under the *Act respecting the distribution of financial products and services*.

To accomplish this, the AMF created the *Compulsory professional development program for mortgage brokers and responsible officers* (the Program), which came into effect on May 1, 2020. The Program is in line with the Government Adult Education and Training Policy: "A Lifelong Journey," one of the objectives of which is to maintain and continually upgrade adult skill levels. It is also consistent with the provisions of the Regulation respecting the issuance and renewal of representatives' certificates and the Regulation respecting the compulsory professional development of mortgage brokers (the Regulation). Its objective is to ensure that mortgage brokers or responsible officers in mortgage brokerage acquire, maintain, update or develop the professional competencies needed to perform their functions in order to ensure that consumers are protected.

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.

2. Autorité des marchés financiers brief on Bill 141 submitted to the Committee on Public Finance on January 18, 2018, p. 15.

Guide to compulsory professional development in mortgage brokerage

This easy-to-understand, plain-language reference tool sets out the Program guidelines. It covers the following:

- definitions
- obligations of mortgage brokers and responsible officers in mortgage brokerage
- management of professional development units
- recognition of personal training activities

1. Definitions

The terms used by the AMF in reference to the Program are defined below.

- **Current Reference Period** means the reference period beginning on May 1, 2020 and ending on April 30, 2022.
- **Full-Service Real Estate Broker** means a Mortgage Broker who obtained a licence before May 1, 2010 from the Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ) under the *Real Estate Brokerage Act*.
- **Individual Trainer** means a natural person who operates on his or her own as a recognized professional development activity provider.
- **Mortgage Broker** means a holder of a representative's certificate in the mortgage brokerage sector that is issued under the [Act respecting the distribution of financial products and services](#) and its regulations.
- **Previous Reference Period** means the reference period ended on April 30, 2020.
- **Professional Development Unit, or PDU**, means 1 hour of an eligible activity given by a recognized Professional Development Activity Provider.
- **Recognized Professional Development Activity** means a training activity evaluated and approved by the AMF and offered by one or more professional development activity providers recognized in an agreement for such purpose and included in the list of such providers available on the AMF's [website](#).
 - **General Professional Development Activity** means a professional development activity with AMF-defined content that pertains to the subjects listed in section 4 of the [Regulation respecting the compulsory professional development of mortgage brokers](#).

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- **Required Professional Development Activity** means a professional development activity with AMF-defined content that pertains to compliance with ethics and professional conduct or professional practice standards related to the pursuit of mortgage broker activities.
- **Personal Training Activity** means a training activity that is recognized further to an application submitted by a Mortgage Broker and that is not included in the list of professional development activities available on the AMF’s website.
- **Recognized Professional Development Activity Provider** means an Individual Trainer, association, regulator or self-regulatory organization, training body, educational institution, financial institution or mortgage lender, credit agency, mortgage insurer or training department of a mortgage brokerage firm whose training-activity development and management process has been assessed and approved by the AMF.
- **Required PDUs for Full-Service Real Estate Brokers** means, for the reference period beginning on May 1, 2020, training specific to mortgage brokerage.
- **Required PDUs for Responsible Officers in Mortgage Brokerage** means a professional development activity with AMF-defined content that pertains to a subject specific to Responsible Officers in Mortgage Brokerage, as set out in section 5 of the [Regulation respecting the compulsory professional development of mortgage brokers](#).
- **Responsible Officer in Mortgage Brokerage, or RO in Mortgage Brokerage**, means a holder of a representative’s certificate in the mortgage brokerage sector issued under the *Act respecting the distribution of financial products and services* and its regulations who meets the qualification requirements and is an independent representative, the partner responsible for the principal establishment of an independent partnership or the officer responsible for the principal establishment in Québec of a mortgage brokerage firm.



2. Obligations of Mortgage Brokers and ROs

2.1 Number of PDUs to be accumulated

To maintain their right to practise, Mortgage Brokers and ROs in Mortgage Brokerage must complete in the Required Professional Development Activities before the end of the reference period.

Under the relevant provisions of the [Regulation respecting the compulsory professional development of mortgage brokers](#):

- Mortgage Brokers must obtain **24** recognized **PDUs** during the two-year reference period, including **3 PDUs** for a Required Professional Development Activity.
- Full-Service Real Estate Brokers must obtain **24 PDUs** during the two-year reference period, including **3 PDUs** for a Required Professional Development Activity and **6 Required PDUs** for Full-Service Real Estate Brokers.
- ROs in Mortgage Brokerage must obtain the **24 PDUs** related to mortgage brokerage, including **3 PDUs** for a Required Professional Development Activity in addition to **6 Required PDUs** for ROs in Mortgage Brokerage.

	General PDUs	Required PDUs	TOTAL PDUs
Mortgage Broker	21	3	24
Full-Service Real Estate Broker who received his or her licence from the OACIQ before May 1, 2010	15	9	24
RO	21	9	30

2.2 Required Professional Development Activities

The Required Professional Development Activities available from Recognized Professional Development Activity Providers are:

For Mortgage Brokers:

- The Required Professional Development Activity “Ethics and Professional Practice under the ADFPS-MB” (**3 PDUs**). For a total of **3 PDUs**.

For Full-Service Real Estate Brokers who obtained their licence from the OACIQ before May 1, 2010:

- The Required Professional Development Activity “Ethics and Professional Practice under the ADFPS-MB” (**3 PDUs**), as well as the training required for Full-Service Real Estate Brokers “Mise à niveau en courtage hypothécaire pour courtiers immobiliers” (in French only) (**6 PDUs**). For a total of **9 PDUs**.

For ROs:

- The Required Professional Development Activity “Ethics and Professional Practice under the ADFPS-MB” (**3 PDUs**), as well as the training required for ROs in Mortgage Brokerage “Ethics and Professional Practice Applicable to Responsible Officers in Mortgage Brokering” (In French only) (**6 PDUs**). For a total of **9 PDUs**.

The professional development activities that are recognized by the AMF are available on our [website](#).

2.3 Transitional provisions

In accordance with the transitional and final provisions of the *Regulation respecting the compulsory professional development of mortgage brokers*:

Mortgage Brokers who did not accumulate the **9 CEUs** (Continuing education units) required by the OACIQ during the Previous Reference Period must obtain a number of PDUs corresponding to the number of missing CEUs in addition to the PDUs required for the Current Reference Period. The number of PDUs required takes into account any exemptions that may have been granted.

ROs who did not accumulate the **12 CEUs** required by the OACIQ during the Previous Reference Period must obtain a number of PDUs corresponding to the number of missing CEUs in addition to the PDUs required for the Current Reference Period. The number of PDUs required takes into account any exemptions that may have been granted.

The certificate authorizing a Full-Service Real Estate Broker to carry on activities in the mortgage brokerage sector will be revoked by operation of law if the broker has not completed the compulsory professional development required by the AMF before May 1, 2022.

3. Managing PDUs

The AMF applies the following rules when managing PDUs.

3.1 Awarding of PDUs

For the purposes of the Program, **1** PDU is equivalent to **1** hour of recognized training.

Only training activities with a minimum duration of **1** hour will be recognized by the AMF. PDUs cannot be split into fractions.

Recognized Professional Development Activity Providers are responsible for entering in AMF E-Services the information relating to the participation of Mortgage Brokers and ROs in Mortgage Brokerage in Recognized Professional Development Activities. They must also give each participant a certificate of participation or a certificate of exam or test results. Mortgage Brokers and ROs are responsible for keeping the certificate on file for 24 months from the end of the reference period during which the training activity was given.

For Personal Training Activities taken by Mortgage Brokers and ROs in Mortgage Brokerage, the units awarded are entered in E-Services by the AMF when the activities are recognized. Mortgage Brokers must also keep, for 24 months following the end of a reference period during which the training activity was given, the certificates of participation and other supporting documents relating to each Recognized Professional Development Activity in which they took part, including the certificates of exam or test results and the transcripts.

For any training activity, time taken for meals and breaks is not counted in the duration of the activity. Participants must be in attendance for the entire duration of the training activity.

A trainer is entitled to twice the number of the PDUs for the training activity given. The PDUs are awarded only once per reference period, regardless of the number of times the trainer gives the training.

3.2 Exemptions and variations in the professional development requirement

3.2.1 Exemptions

If a Mortgage Broker needs to take time off work for a minimum period of **4** consecutive weeks, the AMF may grant an exemption from professional development for the causes set out in Divisions V.0.1 and V.1 of Chapter IV of the *Act respecting labour standards*:

- Absence owing to sickness or an organ or tissue donation for transplant
- Absence owing to an accident
- Absence owing to domestic violence or sexual violence
- Absence for leave due to a serious injury resulting from a criminal offence
- Absence for maternity leave, paternity leave, parental leave or family matters
- Other exceptional situations

An exemption from professional development will not be granted for travel, a sabbatical leave or any other personal reason or to brokers acting as ROs in Mortgage Brokerage.

A Mortgage Broker wanting an exemption must submit the prescribed form to the AMF setting out the reasons for the exemption, together with an explanatory document or the medical certificate attesting to the alleged situation. The exemption from professional development is granted upon presentation of the relevant supporting documents. An attestation from the employer establishing the start date of the Mortgage Broker's absence and the expected and actual date of the broker's return to work may be required.

Before refusing all or part of the application for an exemption, the AMF must give the Mortgage Broker written notice of his or her right to submit written observations within the time period indicated by the AMF. For Mortgage Brokers, an exemption of **1** PDU will be granted for each month the broker is actually absent from work.

The Mortgage Broker must notify the AMF in writing as soon as the situation giving rise to the exemption ends.

Where a Mortgage Broker obtains an exemption without having accumulated the requisite number of PDUs, the broker must have completed the requisite number of hours for the period preceding the granting of the exemption. He or she will not be able to obtain PDUs for the Current Reference Period until such time.

Where an exemption is granted to a Mortgage Broker during the Previous Reference Period and the broker did not successfully complete the Required Professional Development Activities during that period, the broker must successfully complete the Required Professional Development Activities for the Previous Reference Period before he or she can obtain PDUs for the Current Reference Period.

3.2.2 Issuance of a first certificate during the Current Reference Period

A Mortgage Broker who obtains a first certificate during the Current Reference Period is exempted from professional development for a period of **12** months from the date of issuance of the certificate. The number of PDUs is based on the number of full months remaining in the reference period. However, he or she must complete the Required Professional Development Activities.

3.2.3 Suspension of a right to practise

A Mortgage Broker who suspend his right to practise (termination of employment) during the Current Reference Period is not exempted from completing the requisite professional development during the period which his or her certificate is under suspension. If the certificate is suspended for more than **1** year, the Mortgage Broker is exempted from the professional development requirements for the amount of time exceeding that **1** year period.

When this situation ends, the Mortgage Broker must comply with the professional development requirements and accumulate a number of PDUs equal to the proportion that the number of full months, elapsed or not, during which he or she was not exempted from the requirements during a reference period is to that reference period. However, the Mortgage Broker must complete the Required Professional Development Activities.

3.2.4 Reinstatement of a certificate

A Mortgage Broker whose certificate is inactive is exempted from his professional development requirements. Upon reinstatement of his certificate, he or she must comply with the professional development requirements and accumulate a number of PDUs equal to the proportion that the number of full months, elapsed or not, during which he or she was not exempted from the requirements during a reference period is to that reference period. However, he must complete the Required Professional Development Activities.

The surrender period starts on the earlier of:

- the date following the expiry of the non-renewed AMF-issued certificate

or

- the date the AMF-issued certificate was surrendered

or

- the date the Mortgage Broker was struck off the roll by the AMF

For special situations only:

- the date the OACIQ revoked the licence

The date of reinstatement of the certificate determines the number of PDUs that the Mortgage Broker must accumulate for the months remaining in the Current Reference Period.

If a Mortgage Broker applies for reinstatement after more than **36** months of inactivity, he or she must satisfy the requisite career entry requirements in order to have his or her certificate reinstated. The Mortgage Broker must then take the requisite minimum qualifications training, pass the examinations and complete the **12-week** probationary period in order to obtain a new certificate. The professional development requirements that apply are the same as for the issuance of a first certificate.

3.3 Carry over of PDUs

If a Mortgage Broker has obtained more PDUs than required for the Current Reference Period for subjects not included among the Required Professional Development Activities, a maximum of **6 units may be carried over to the following reference period provided the Required Professional Development Activities have been successfully completed.**

4. Recognition of Personal Training Activities

Mortgage Brokers and ROs in Mortgage Brokerage may apply to have training activities taken in a personal capacity during a reference period recognized for the purpose of earning PDUs. When applying, they must use the appropriate form and pay the related fees. They must also submit the required supporting documents.

4.1 Eligibility

An application for recognition of professional development may be submitted for the following Personal Training Activities during the reference period:

- participation in a workshop, lecture or seminar during a mortgage brokerage convention
- mortgage brokerage training, disseminated in Canada and with content relevant to the carrying out of functions in Québec, for the purpose of maintaining or developing professional competencies
- college- or university-level training in management, finance or economics

The following activities are not eligible:

- any training activity required to obtain a licence or certificate in mortgage brokerage
- any mortgage brokerage training activity whose content is not relevant to Québec
- any mortgage brokerage training activity held outside Canada
- any personal growth activity
- any activity relating mainly to internal procedures
- any self-learning activity without a summative assessment (reading of books or articles, on paper or on-line)
- an activity without any educational value, such as a cocktail, study group or interest group (board, committee, etc.)

4.2 Recognition criteria

Only training activities with a minimum duration of **1** hour will be recognized by the AMF.

The AMF applies the same principles as for professional development activities delivered by a Recognized Professional Development Activity Provider.

4.3 Workshops, lectures and seminars

Applicants must submit the documents relating to their participation in the activity.

A certificate of participation issued by the organizer must indicate the duration of the activity and certify that the applicant was in attendance for the entire duration of the activity. Time taken for meals and breaks is not counted in the duration of the activity.

4.4 On-line training

For on-line training activities, applicants must submit all relevant documents needed to assess the training. The trainer must provide a certificate of exam or test results. PDUs will be based on the average number of hours scheduled for the training activity.

4.5 College- or university- level training in management, finance or economics

Mortgage Brokers or ROs in Mortgage Brokerage may apply for recognition of a college- or university-level course in management, finance or economics. To have a course recognized, they must submit proof of successful completion of the course (transcript) during the Current Reference Period.

2 PDUs will be awarded for every 15 hours of training taken.

4.6 Refusal of recognition of a Personal Training Activity

If the AMF refuses to recognize a Personal Training Activity, the applicant will have 15 days following the date of the AMF's decision to submit observations and request a review of the application. The review decision will be final.

