

COMPULSORY PROFESSIONAL DEVELOPMENT IN MORTGAGE BROKERAGE

Guide for mortgage brokers
and responsible officers
(2024-2026)



Written by

Alain Deschamps and Cecilia Garcia

Direction de la qualification

AUTORITÉ DES MARCHÉS FINANCIERS

Edited by

Marie Achard

Direction de la qualification

AUTORITÉ DES MARCHÉS FINANCIERS

© AUTORITÉ DES MARCHÉS FINANCIERS, 2024

Legal deposit – Bibliothèque et Archives nationales du Québec, 2024

ISBN: 978-2-550-97338-6 (PDF)

ISBN: 978-2-550-87168-2 (PDF, 1st Edition, 2020)

TABLE OF CONTENTS

Introduction	1
<i>Guide to compulsory professional development in mortgage brokerage</i>	2
1. Definitions	2
2. Obligations of Mortgage Brokers and ROs	4
2.1 Number of PDUs to be accumulated.....	4
2.2 Required Professional Development Activities	5
2.2.1 Mortgage Brokers	5
2.2.2 ROs.....	5
3. Managing PDUs.....	6
3.1 Awarding of PDUs	6
3.2 Exemptions and variations in the professional development requirement.....	7
3.2.1 Exemptions	7
3.2.2 Issuance of a first certificate during the Current Reference Period.....	8

3.2.3	Suspension of a right to practice.....	8
3.2.4	Reinstatement of a certificate.....	8
3.3	Carry over of PDUs.....	9
4.	Recognition of Personal Training Activities.....	9
4.1	Eligibility.....	10
4.2	Recognition criteria.....	10
4.3	Workshops, lectures and seminars.....	10
4.4	On-line training.....	11
4.5	Refusal of recognition of a Personal Training Activity.....	11
5.	College -or university- level training in management, accounting, finance or economics.....	11

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*. Since May 1, 2020, the mortgage brokerage sector has been regulated by the AMF.

Like the *Compulsory professional development program for mortgage brokers and responsible officers* (the Program), which is renewed every two years, this guide covers the period from May 1, 2024 to April 30, 2026. 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.

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, 2024 and ending on April 30, 2026.
- **Individual Trainer** means a natural person who operates on their 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 \(Distribution Act\)](#) and its regulations.
- **Previous Reference Period** means the reference period ended on April 30, 2024.
- **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 in the Directory of Professional Development Units 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](#).

COMPULSORY PROFESSIONAL DEVELOPMENT IN MORTGAGE BROKERAGE

Guide for mortgage brokers and responsible officers (2024-2026)

- **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 Responsible Officer 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* (Distribution Act) 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 need to complete 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.
- ROs in Mortgage Brokerage must obtain **24 PDUs** related to mortgage brokerage, including **3 PDUs** for a Required Professional Development Activity, in addition to the **6 PDUs** required for ROs in Mortgage Brokerage, for a total of **30 PDUs**.

	General PDUs	Required PDUs	Required PDUs for ROs	TOTAL PDUs
Mortgage Broker	21	3	N/A	24
RO	21	3	6	30

2.2 Required Professional Development Activities

The AMF requires Mortgage Brokers and ROs to successfully complete certain trainings.

2.2.1 Mortgage Brokers

Mortgage Brokers must successfully complete the three modules of “Rules of professional practice and ethics in mortgage brokerage,” a Required Professional Development Activity worth **3 PDUs**.

- Module 1 – Rules of conduct and rules governing the pursuit of activities as a representative (**1 PDU**)
- Module 2 – Disclosures concerning remuneration and lenders (**1 PDU**)
- Module 3 – Conflicts of interest (**1 PDU**)

2.2.2 ROs

Since only representatives certified in mortgage brokerage may become ROs, completion of the three modules of “Rules of professional practice and ethics in mortgage brokerage,” a Required Professional Development Activity worth **3 PDUs**, is **compulsory**.

In addition, ROs must earn **6 PDUs** in the following subjects:

- compliance with standards
- ethics and professional conduct or professional practice
- keeping of records and registers
- risk management
- prevention of fraud or money laundering
- firm start-up and management

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

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. The PDUs are awarded when Mortgage Broker participation in the Recognized Professional Development Activities is declared by the providers. Mortgage Brokers must ensure that their professional development record is compliant and that the recognized professional development activities they have completed appear in it.

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.

Time taken for meals and breaks is not counted in the duration of a training activity. **Participants must be in attendance** for the entire duration of the 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, adoption leave or 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. Brokers acting as ROs in Mortgage Brokerage must ensure their replacement during their absence by another person qualified to act as RO.

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 confirming 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 an application for an exemption, the AMF must give the Mortgage Broker written notice of their 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. They 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 training required by the AMF for the Previous Reference Period before they 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 in this sector during the Current Reference Period is exempt from “general” 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, the Mortgage Broker must complete the Required Professional Development Activities.

3.2.3 Suspension of a right to practice

A Mortgage Broker whose right to practice is suspended (termination of employment) during the Current Reference Period is not exempted from completing the requisite professional development in the period during which their certificate is under suspension.

The Mortgage Broker must therefore comply with the professional development requirements and accumulate the number of PDUs required by regulation.

3.2.4 Reinstatement of a certificate

A Mortgage Broker whose certificate is inactive, surrendered or not renewed is exempt from the applicable professional development requirements. Upon reinstatement of the certificate, they must comply with the rules for reinstatement applicable to their situation and accumulate a number of PDUs equal to the proportion that the number of full months, elapsed or not, during which they were not exempt from the requirements during a reference period is to that reference period.

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

A Mortgage Broker wishing to apply for reinstatement of their certificate after more than **one** year and less than **three** years will first need satisfy the training requirements pertaining to legislation applicable to the pursuit of activities as a representative and pass the examination “16-116 – *Set up an ethical professional practice in compliance with the rules governing mortgage brokerage*”.

If a Mortgage Broker applies for reinstatement after more than **36** months of inactivity, they will need to satisfy the requisite career entry requirements in order to have their certificate reinstated. The Mortgage Broker will need to 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

Where a Mortgage Broker accumulates more than the required number of PDUs for general subjects during a reference period, a maximum of **6** excess PDUs will be carried over to the following reference period but only in those subjects.

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 doing so, they must use the appropriate form and pay any 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
- personal growth activities
- activities focused primarily on internal procedures
- activities focused on selling or promoting a product
- activities focused on soliciting clients
- self-learning activities without a summative assessment (reading of books or articles, on paper or on-line)
- activities without any educational value, such as a mixer, 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 Refusal of recognition of a Personal Training Activity

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

5. College -or university- level training in management, accounting, finance or economics

Mortgage Brokers or ROs in Mortgage Brokerage may obtain recognition of a college -or university- level credit course in management, accounting, finance or economics. The courses must be relevant to the functions of a Mortgage Broker or an RO in Mortgage Brokerage. To have a course recognized, the Mortgage Broker or RO must submit proof that they successfully completed the course (transcript) during the Current Reference Period.

Two (2) PDUs will be awarded for each **15** hour period of courses taken. PDUs are awarded as follows in recognizing an eligible college or university-level course:

- 30-hour college course: **4 PDUs**
- 3-credit university course: **6 PDUs**

Customized training developed by a post-secondary educational institution that does not confer any credit is assessed against the same criteria as Personal Training Activities.

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



**Autorité
des marchés
financiers**