

COMPULSORY PROFESSIONAL DEVELOPMENT IN MORTGAGE BROKERAGE

Guide for professional development
activity providers



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Introduction

Created from 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 ensuring, among other things, that agents, brokers and representatives in the financial sector are competent.

Bill 141,¹ adopted and assented to on June 13, 2018, provides for, in particular, the integration of 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*.

This guide sets out the principles and criteria applied by the AMF for recognizing professional development activity providers and the training activities they will give. The criteria used to recognize the personal training activities taken by mortgage brokers and responsible officers are also explained. These principles and criteria came into effect on May 1, 2020.

1. Recognition of professional development activity providers

To be recognized as a professional development activity provider, applicants must be eligible and comply with the principles established by the AMF. When applying for recognition, they must use the appropriate form and pay the related fees. They must also submit the required supporting documents. Eligible professional development activity providers that satisfy the principles set out in this guide will enter into a recognition agreement with the AMF.

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.

1.1 Eligibility

The AMF will accept applications for recognition as professional development activity providers from:

- Individual trainers
- Associations
- Training bodies
- Educational institutions
- Regulators or self-regulatory organizations
- Mortgage lenders and financial institutions
- Credit agencies
- Mortgage insurers
- Training departments of mortgage brokerage firms

1.2 Guiding principles of the AMF's assessment

The following principles guide the AMF in its assessment of applicants as recognized professional development activity providers.

1.2.1 Program management

PRINCIPLE

Effective program management is essential in order to provide quality professional development

All applicants, including individual trainers, must designate a program administrator who will be responsible for ensuring compliance with the principles outlined in this guide.

- The program administrator must have a minimum of five years of experience in mortgage brokerage, financial services, compliance, financial services regulation or education.
- The program administrator must implement all the administrative and staffing processes relating to pedagogical planning and learning activities and design the summative assessments. He or she is also responsible for training delivery and assessment.

The direct input of industry, education, legal and compliance professionals and regulatory bodies must be apparent at every stage of the program development process and in the planning of the training activities offered.

Participants' personal information must be protected.

- Applicants must implement security measures that comply with the applicable laws and regulations to ensure that the personal information they hold is protected. These measures must be documented.

Written procedures for examining participants' complaints fairly and diligently must be available.

- Written procedures for examining participants' complaints must be available to anyone who requests them. While these procedures need not be elaborate, they must clearly indicate the steps that will be taken when a complaint is examined.

1.2.2 Pedagogical development process

PRINCIPLE

A structured pedagogical development process fosters the successful completion of the professional development activities.

The pedagogical development process for the applicant's professional development activities must be structured.

- This process must include, in particular, the steps for creating professional development activities. It must also describe the methods used to define training needs, establish learning objectives, training strategies and delivery methods, and the assessment tools used to validate learning, where required.
- Individual trainers who wish to be recognized as professional development activity providers are not required to present a structured pedagogical development process. However, they must prepare a training needs analysis, demonstrate the relevance of their application and submit a course plan for the training activity.

Professional development activities must be developed by qualified staff.

- The applicant must submit the qualifications of the staff responsible for the professional development activities.

1.2.3 Delivery of training

PRINCIPLE

The effective delivery of professional development activities is decisive for the development of professional competencies and consumer protection.

Whether the training is delivered in-class or on-line, the environment must be conducive to learning.

- For in-class training activities: noise levels, lighting, workspace and temperature (heating and air conditioning).
- For on-line training activities: ease of use, design, colours, readability, on-line help and user support.

Regardless of whether the training is delivered in-class or on-line, the trainer must be able to monitor attendance and measure learning time.

- For in-class training activities: a description of the methods and technologies used to monitor attendance.
- For on-line training activities: the learning environment must allow trainers to monitor and measure learners' attendance. A connection report is required.



Applicants must choose trainers who have expertise in the training content. Individual trainers must have this expertise themselves.

- Applicants must submit their trainer qualification requirements.
- The qualifications include experience in mortgage brokerage, certification/licensing, education; languages and teaching experience.
- The trainer's honesty and disciplinary records, if any, must be verified.

For training delivered in different languages, applicants must ensure equivalent and satisfactory quality.

- There must be no significant difference in the qualifications of trainers.
- The quality of the pedagogical material must be identical.
- Efforts must be made to use certified translators and revisers.

Applicants must have sufficient means to support learning.

- Applicants must provide quality support to participants and ensure that they have sufficient staff to offer such support for the number of participants registered.

1.2.4 Assessment of professional development activities

PRINCIPLE

Professional development activities are assessed effectively so that they can be continually improved.

A permanent improvement system must be established to ensure the quality of training services.

- Participants must be surveyed about their achievement of the learning objectives of the training activities.
- The participant satisfaction rate must be assessed.
- The survey results must be used to improve the training.

1.3 Recognition agreement as a professional development activity provider

Applicants who meet all the requirements must enter into a recognition agreement with the AMF. This agreement sets out the rights and obligations of the parties, among other things. The agreement is valid as long as the professional development activity provider satisfies the recognition criteria and the obligations specifically set out in the agreement. The agreement can be terminated.

1.4 Refusal of recognition as a professional development activity provider

If the AMF refuses to grant recognition as a professional development activity provider, the applicant has 15 days following the date of the AMF's decision to submit its observations and request a review of its application.

1.5 Revocation of recognition as a professional development activity provider

The AMF may revoke the recognition of a professional development activity provider for the following reasons:

- The provider no longer satisfies all the recognition criteria established by the AMF.
- The provider petitions for bankruptcy, whether voluntary or involuntary, is appointed a receiver or liquidator or makes an assignment for the benefit of creditors; or an event interrupts the provider's business activities.
- The provider, any of its directors or the program administrator has been convicted of a criminal, penal or disciplinary offence in a matter relating to the professional development activities offered.
- The provider breached the recognition agreement.
- The provider's conduct harms the AMF's reputation.
- An audit reveals unsatisfactory training practices.
- Serious and repeated complaints by participants are determined to be of merit.

When a training provider's recognition is revoked, the provider must cease to promote itself as a recognized professional development activity provider and to promote its activities as being permitted by the AMF. The professional development units (PDUs) awarded while the agreement was in effect are entered in the records of the mortgage brokers who participated in the activities.

2. Recognition of training activities of a recognized professional development activity provider

In order to have each of their training activities recognized, professional development activity providers must use the appropriate form and pay the related fees. They must also submit the required supporting documents.

The principles applied by the AMF in assessing the professional development activities submitted for recognition are as follows.

2.1 Eligible training activities

To be recognized, the training activities must cover the following topics:

- the legislative and regulatory framework governing the pursuit of activities as a mortgage broker
- ethics, professional conduct and professional practice of mortgage brokers
- keeping of records and registers
- developments in the mortgage market
- financing products secured by immovable hypothec or the underwriting standards for such products
- mortgage brokerage
- personal and business accounting
- individual and business credit
- mortgage (hypothecary) loan insurance
- risk management
- prevention of fraud or money laundering
- new technologies associated with mortgage brokerage, financial services or financial technologies
- firm start-up and management
- management of human, material, information or financial resources
- compliance with standards

Therefore, the AMF will recognize any training activity it considers to be relevant if the activity covers any of these topics and satisfies all the recognition criteria below.

The following activities are not eligible:

- any minimum qualification training activity in mortgage brokerage
- any personal growth activity
- any activity relating mainly to internal procedures
- any activity on selling or promoting a product
- 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.)

2.2 Needs analysis

PRINCIPLE

The training needs analysis is the basis for developing relevant professional development activities.

The relevance of the professional development activity must be determined by a training needs analysis.

- The training needs analysis must define the existing problem and the link with the pursuit of mortgage brokerage activities.
- The training need must be defined based on a gap to be filled, i.e., a gap in knowledge, skills or professional attitudes and behaviours that needs to be corrected and which affects the performance of the individuals to be trained in the topics covered by the eligible activities listed in section 2.1.
- Information sources must be indicated.

2.3 Definition of learning objectives

PRINCIPLE

Clear learning objectives based on the needs analysis help learners acquire and maintain their professional competencies.

The learning objectives must be based on the training needs described in the needs analysis.

- A clear link must exist between the learning objectives and the activities of a mortgage broker or responsible officer; the objectives must contribute to protecting the public and help to maintain or strengthen the professional competencies of mortgage brokers and responsible officers.
- The learning objectives must be stated in writing in the form of knowledge, skills or abilities and set out what is expected of participants at the end of the activity.
- The learning objectives must include knowledge, skills and abilities as measurable criteria. They must be stated clearly and concisely.
- The number of objectives may vary depending on the amount of time allocated to the training and the variety of learning strategies used.



2.4 Training content and learning strategies

PRINCIPLE

Consumer protection is promoted through training content that complies with current knowledge and the legal framework in effect and involves varied learning strategies.

The training content must comply with current knowledge and the legal framework applicable to the mortgage broker or responsible officer function.

- Applicants must provide a training plan. The plan must explain the learning objectives, the training content related to the objectives, the learning strategies used and their expected duration, and the performance criterion sought.
- If necessary, a bibliography is provided to confirm the appropriateness of the training content.
- Where required, references to the legal framework must be specified to ensure that the training is updated.

The training content must comply with the defined learning objectives.

The teaching strategies must be aligned with the training content and the defined learning objectives.

2.5 Trainers

PRINCIPLE

Competent and honest trainers foster the transmission of learning.

Trainers must have expertise in the content of their training activity.

- Trainers must have relevant experience in the area of the training activity for which the professional development activity provider is seeking recognition.
- The trainer's integrity and disciplinary history, if any, must be verified.

2.6 Assessment of learning

PRINCIPLE

For activities where interaction between the trainer and participants is limited, participants' achievement of the learning objectives is demonstrated.

The learning assessment methods must be suitable for the defined learning objectives and performance criteria.

- The learning assessment must be planned for each learning objective included in the training plan. The assessment methods, conditions and criteria must be specified.
- The assessment methods must be suitable for the defined assessment objectives. They must reflect practical use in the profession.
- The assessment tools designed by content experts must be valid and fair.
- The assessment tools must comply with current knowledge and the legal framework in effect.

The assessment results must be submitted as soon as possible.



2.7 Recognition of training activities

The training activity is recognized on the date the AMF issues a recognition decision or from any other date stipulated in the decision. It is valid for the period of time specified in the decision.

2.8 Refusal of recognition of a training activity

If the AMF refuses to recognize an activity, the applicant has 15 days following the date of the AMF's decision to submit its observations and request a review of its application.

3. Modification of a professional development activity

Recognized professional development activity providers must inform the AMF of any modification of the activity that results in a significant change to the content, structure, type of training, number of training hours or any other aspect on which the AMF relied to recognize the activity. When applying to modify the activity, the provider must use the appropriate form and pay the related fees. The application must be submitted along with the new course outline and the related pedagogical material. The AMF will analyze the application to ensure that the training meets its recognition criteria. The application must be approved before the training activity can be held. The AMF reserves the right to revoke the recognition of an activity that no longer satisfies the recognition criteria.

4. Obligations of recognized professional development activity providers

Recognized professional development activity providers have the following obligations:

- Follow the training plan submitted to the AMF and ensure that the content complies with current knowledge and the legal framework in effect.
- Comply with the legislation pertaining to the protection of personal information to which they are subject.
- Notify the AMF when they want to modify the training plan and add or remove a trainer. The changes may not be made and the trainer may not give the training until the AMF approves the application.
- For all professional development activities, submit the required supporting documents to the AMF.
- Respond to any request for information from the AMF, in particular, requests intended to assess compliance with the training objectives.

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- When a training activity is held, ensure that the trainer:
 - adheres to the training plan and duration approved by the AMF;
 - disseminates information consistent with the legislative framework in effect;
 - acts competently;
 - takes into account the limits of his or her abilities, knowledge and means;
 - has participants complete and sign an attendance sheet at the start and end of the professional development training activity;
 - ensure that participants' signatures on the attendance sheet match their signature and that participants are present for the duration of the professional development activity;
 - has participants complete a satisfaction questionnaire for the professional development activity, if applicable.
- Within the timeframe agreed upon with the AMF, enter the names of participants in AMF E-Services and send each participant a certificate of participation or a certificate of exam or test results, if an assessment of learning is required.
- Pay royalties for any training material produced by the AMF, as applicable.
- Keep the documents relating to the training activity on file for two years from the date the activity is last given.
- Not engage in or allow, in any manner whatsoever, false, deceptive or misleading advertising about the training activities they give or are asked to give.

5. Recognition of personal training activities

Mortgage brokers and responsible officers may apply to have training activities not included in the list of recognized professional development activities 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.

The recognition decision issued regarding an application is valid only for the representative applying for recognition and only for the reference period during which he or she took the training.

5.1 Eligibility

An application for recognition of a professional development activity may be submitted for the following personal training activities. The participant must prove that after taking the activity, he or she has acquired, maintained, updated, improved or deepened his or her knowledge, skills or abilities regarding the topics listed in section 2.1:

- participation in a symposium, conference, seminar during a mortgage brokerage convention
- mortgage brokerage training disseminated in Canada and with content relevant to mortgage brokers practising in Québec
- college – or university – level training in management, finance or economics
- any other training activity that the AMF considers relevant

The following activities are not eligible:

- any minimum qualification activity 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.)

5.2 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.

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. The AMF establishes the eligible duration of a training activity for purposes of calculating the related PDUs.

5.3 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.

5.4 College – or university – level training in management, finance or economics

Mortgage brokers or responsible officers 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.

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

5.5 Refusal of recognition of a personal training activity

If the AMF refuses to recognize a personal training activity, the applicant will have 15 days following the date of the AMF's decision to submit observations and request a review of the application.



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