

# 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,<sup>1</sup> 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."<sup>2</sup> 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.

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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 Organism 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.
- **Mandatory Professional Development Activity** means a professional development activity consisting of AMF-defined content, given by the AMF or a Recognized Professional Development Activity Provider, that Mortgage Brokers and Responsible Officers must successfully complete during the Current Reference Period.
- **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.
- **Personal Training Activity** means a training activity that is recognized further to an application submitted by a representative and that is not included in the list of professional development activities available on the AMF's website.
- **Previous Reference Period** means the reference period ended on April 30, 2020.
- **Professional Development Unit(s), or PDU(s)** means 1 hour of an eligible activity given by a recognized Professional Development Activity Provider.

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- **Recognized Professional Development Activity** means a training activity that is given by the AMF or by a professional development activity provider recognized in an agreement entered into with the AMF for such purpose and that is included in the list 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.
- **Responsible Officer in Mortgage Brokerage, or RO**, 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 Professional development activities required by the AMF

To maintain their right to practise, Mortgage Brokers and ROs must complete the AMF Mandatory 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 **PDU**s during the two-year reference period, including **3 PDU**s for an AMF Mandatory Professional Development Activity.
- Full-Service Real Estate Brokers must obtain **24 PDU**s during the two-year reference period, including **9 PDU**s for AMF Mandatory Professional Development Activities.
- ROs must obtain, among the **24 PDU**s related to mortgage brokerage, **6 PDU**s for an AMF Mandatory Professional Development Activity.

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

## 2.2 AMF Mandatory Professional Development Activities

The AMF Mandatory Professional Development Activities given by Recognized Professional Development Activity Providers are:

- For Mortgage Brokers:
  - a training activity pertaining to compliance with standards, ethics and professional conduct or professional practice related to mortgage brokerage
  - for a total of **3** hours
- For Full-Service Real Estate Brokers who obtained their licence from the OACIQ before May 1, 2010:
  - **three** hours of training pertaining to compliance with standards, ethics and professional conduct or professional practice pertaining to mortgage brokerage and **6** hours of training pertaining to mortgage brokerage activities
  - for a total of **9** hours
- For ROs:
  - a training activity pertaining to compliance with standards, ethics and professional practice, keeping of records and registers, risk management, prevention of fraud or money laundering or firm start-up and management
  - for a total of **6** hours

## 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 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 be 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 course 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 the information relating to Mortgage Brokers' and ROs' participation in Recognized Professional Development Activities in AMF E-Services. 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, 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 Exemption from professional development

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.

A Mortgage Broker wanting an exemption must submit a written application 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 his or her return to work may be required.

Before refusing all or part of the application, 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 Authority 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 AMF Mandatory Professional Development Activities during that period, the broker must successfully complete the AMF Mandatory Professional Development Activities for the Previous Reference Period before he or she can obtain PDUs for the Current Reference Period.

### 3.3 Certificate obtained or reinstated during the Current Reference Period

A Mortgage Broker who obtains a first certificate during the Current Reference Period is exempted from completing 12 PDUs. The number of PDUs to be completed will be based on the number of full months remaining in the reference period. However, he or she must complete the AMF Mandatory Professional Development Activities.

A Mortgage Broker whose certificate is reinstated during the Current Reference Period is not exempted from completing the requisite professional development for the period during which his or her certificate was under suspension. If the certificate is suspended for more than 1 year, the Mortgage Broker is exempted from the professional development requirements for the portion of the period that exceeds 1 year. The number of PDUs to be completed will be based on the number of months remaining in the reference period. However, the Mortgage Broker must complete the AMF Mandatory Professional Development Activities.

### 3.4 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 AMF Mandatory Professional Development Activities, a maximum of **6 units may be carried over to the following reference period provided the AMF Mandatory Professional Development Activities have been successfully completed.**

## 4. Recognition of personal training activities

mortgage Brokers and ROs 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 initial 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 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.

## **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.



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