

Centum Chartered Finance Inc.

FSRA Licence Number: 12791



POLICIES & PROCEDURES MANUAL SECTION 4

2020

The forms in this section are not to be considered mandated. They are simply suggestions of information to be used as guidelines. Each Brokerage is encouraged to design and utilize their own documentation for their purpose.

DISCLAIMER - *The sample documents attached are provided for general information purposes only. Your use of any of these sample documents is at your own risk, and you should not use any of these sample documents without first seeking legal and other professional advice. The provision of these sample documents (and the documents themselves) do not constitute legal advice or opinions of any kind, or any advertising or solicitation. No lawyer-client, advisory, fiduciary or other relationship is created between The Canadian Mortgage Brokers Association of Ontario (CMBA) and any person accessing or otherwise using any of the sample documents. CMBA and its affiliates (and any of their respective directors, officers, agents, contractors, interns, suppliers and employees) will not be liable for any damages, losses or causes of action of any nature arising from any use of any of the sample documents or the provision of these sample documents.*

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Please find below the list of documents to be found in Section 4, in alphabetical order. *Note: two files (marked with *) are not sent as PDFs so that you may fill them in and customize them as needed.*

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Centum Chartered Finance Inc.

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ACCEPTANCE AGREEMENT

I, the undersigned, have read and agree to the terms and conditions contained in the mortgage loan Commitment ("Commitment") for a First/Second mortgage, against the property located at _____ provided by Centum Chartered Finance Inc. .

I acknowledge receipt of this Commitment, and of one copy of the Disclosure to Borrower, executed by me _____.

In consideration of the Broker arranging the above mortgage for me, I hereby agree to pay a brokerage fee of _____ as indicated on the Disclosure to Borrower. I also agree to pay all legal fees and disbursements related to this transaction.

I acknowledge and agree that a fee ("Finder's Fee") in the amount of \$_____ will be paid to the Broker by the lender with respect to this transaction, and that payment of such fee is acceptable to me.

It is further agreed that in the event this transaction is unable to close because title to the property is found to be unsatisfactory in the unrestricted discretion of the Lender's solicitor, or if information contained in the Application of Mortgage proves to be incorrect, inaccurate, or in any manner whatsoever, misleading, or if I should decline or omit to take up the amount granted to me in accordance with the Commitment, then all fees and charges as indicated on the Disclosure to Borrower, PLUS a processing fee equivalent to the Finder's Fee as indicated above, will become due and payable forthwith to the Broker.

Applicant Signature Date

Co-Applicant Signature Date

Applicant Name (please print)

Co-Applicant Name (please print)

Witness Date

Centum Chartered Finance Inc. File Number

Centum Chartered Finance Inc.

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404-500 Hood Rd. Markham, ON. L3R 9Z3

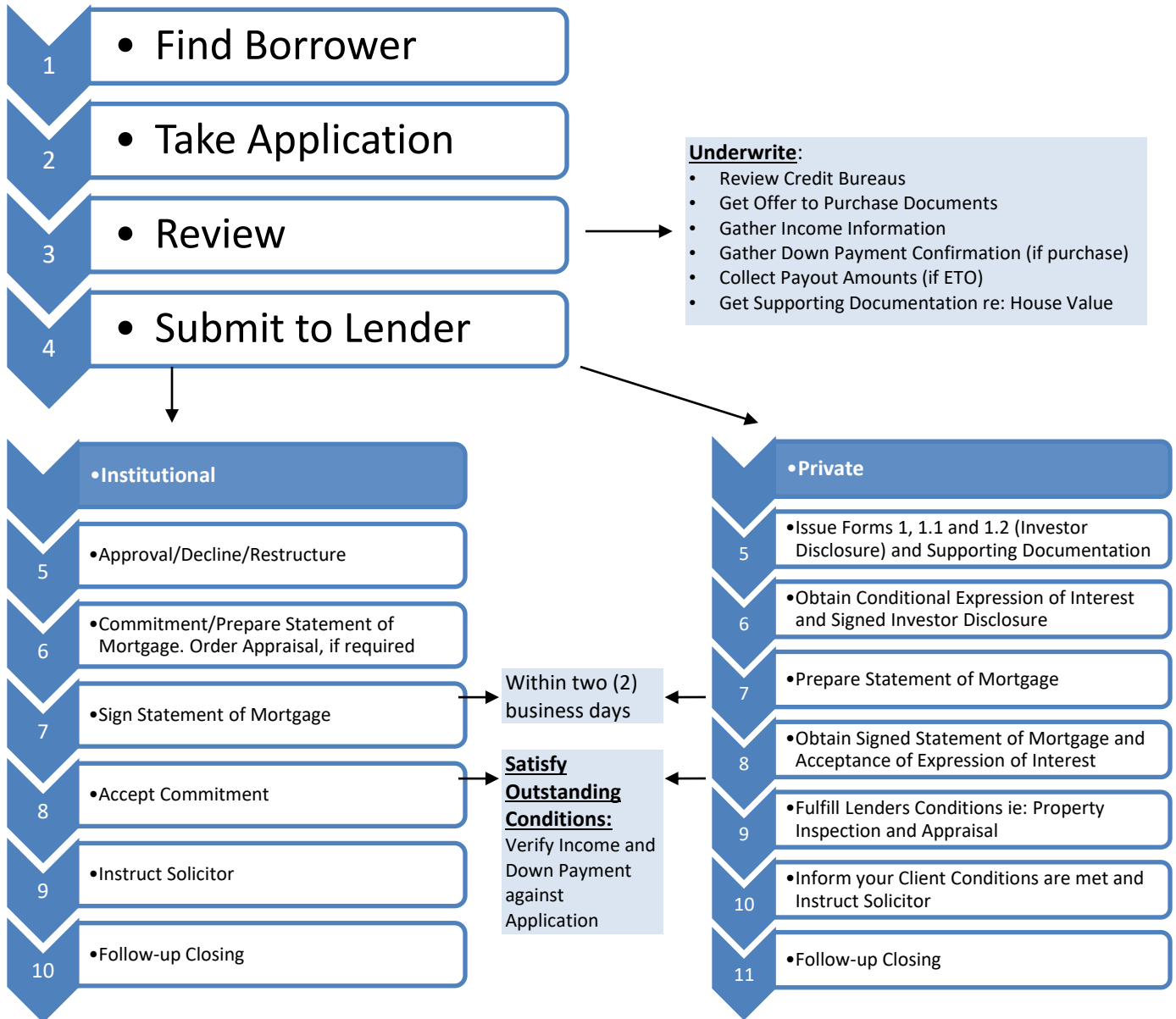
Annual Information Report

[illegible]

Centum Chartered Finance Inc.

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RESIDENTIAL MORTGAGE APPLICATION FLOW CHART



Centum Chartered Finance Inc.

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CLIENT ACKNOWLEDGEMENT

GENERAL TERMS

Centum Chartered Finance Inc. is a licensed Mortgage Brokerage operating in the Province of Ontario. This document is written in plain English, from your perspective: The words “I”, “me”, and “my” mean each client who signs this document below, and the word “you” means our Mortgage Brokerage (hereinafter referred to as “the brokerage”). All words and phrases contained in this Agreement are to be construed in the singular, plural, masculine, feminine or neuter according to the context.

OBLIGATIONS

I warrant and confirm that all information I provide to you in connection with any mortgage application or other service you provide (a transaction) will be true and correct, and I acknowledge that you and any lenders or other persons to whom you submit that information will be relying on it in order to consider our application and/or determine our creditworthiness. I hereby release you from all claims in damages or otherwise that we may have in connection with or arising from any use, disclosure or release of any of our personal information, and that I will indemnify you against and save you harmless from any and all claims in damages or otherwise which may be made by any third party in connection with or arising from any personal or other information that we have provided to you. I will pay all legal, property appraisal, and registration fees and other costs or expenses incurred by you in connection with a transaction, such costs to be disclosed to me and agreed to before they are incurred by you.

COMPENSATION

By signing below, I am acknowledging my understanding that the Mortgage Agent or Mortgage Broker who has affixed their signature below will receive compensation for arranging this mortgage in the form of commissions paid to the Brokerage on the completion of this transaction. Such Commissions may take the form of:

- **Brokerage Fees** you may charge for providing our services, such fees to be disclosed to me fully in advance, and contained in the Ontario Disclosure to Borrower provided to me at the time you present to me any Mortgage Commitment from a Lender;
- **Finder's Fees** provided to you by the Lender;
- **Efficiency Bonus** amounts provided to you by the Lender, based on the percentage of applications received to deals funded by that lender; and
- **Volume Bonus** amounts provided to you by the Lender. Volume Bonuses are additional commissions provided to the Agent/Broker as a result of the total mortgage dollar volume referred to and funded by a specific Lender in a given year by:
 - Any company you are affiliated with nationally; and/or
 - This brokerage in general; and/or
 - The individual Mortgage Agent or Mortgage Broker performing this transaction.

You may also receive additional non-monetary compensation from a Lender, in the form of:

- Rewards “points” that can be exchanged for most goods and services
- Other “points” that may be redeemed to discount interest rates on future mortgage business for other customers
- Travel rewards (airfare, vacations, etc.)
- Educational or Conference attendance tickets at reduced or no charge
- Marketing materials or other co-operative advertising

If there are specific compensation benefits for you to offer me a mortgage from one company over another, you will fully disclose this information to me as part of the mortgage application process so that I may make a fully informed decision regarding the placement of my mortgage with specific lenders.

COLLECTION OF IDENTIFICATION FOR THE PURPOSE OF FRAUD PREVENTION

I will provide one piece of identification, in the form of a Driver's Licence, Age of Majority Card, Passport, or other appropriate documentation as requested by you and documented below by you in order for you to ensure my identity for

the purposes of this transaction. I understand and agree that this identification information will be provided to both the Lender and my Solicitor for the purpose of identity verification and fraud prevention with regard to this transaction.

ORIGINAL DOCUMENTATION

In order to facilitate this transaction, I agree to provide you with any and all original documentation requested by the Lender as a condition of the mortgage. You agree to return all original documentation to me when requested, at no charge.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

I acknowledge that I have a right to, and you have a fiduciary responsibility to, provide me with sound advice and to recommend the appropriate mortgage product, features, term, amortization, rate, etc. to suit my specific needs and without regard to the form or amount of remuneration you will receive as a result of this transaction.

You will also discuss with me, and disclose to me in writing, any potential or actual conflicts of interest related to the arrangement of my mortgage, in order to enable me to make an informed decision about this transaction. For the purposes of this transaction, the following represent actual or perceived conflicts of interest:

I acknowledge that you are acting solely on my behalf and are not representing any interests of the Lender, save your fiduciary responsibilities to them, as part of facilitating this transaction.

I acknowledge that during the previous fiscal year, this brokerage acted on behalf of ____ different lenders, but that no one lender represented 50% or more of their business during that year. I understand that your brokerage does/does not in any capacity operate as a Lender.

I acknowledge that you may compensate other individuals or entities in a monetary or non-monetary fashion, and that such compensation may include referral fees, service fees, or other fees and that these fees must be disclosed to me. For the purposes of this transaction, the following individuals/entities received remuneration:

Individual/Entity Name	Type of Fee / Service Provided	Amount of Fee

I agree that, in the case of a Reverse Mortgage, I will provide a signed statement from my lawyer indicating that I have received independent legal advice regarding this transaction.

CLIENT RISK PROFILE FORM

I acknowledge that I have completed a Client Risk Profile form, and that this form will be maintained in my file to reflect my risk profile for the purposes of proper analysis of the borrowing products and services you may recommend to me.

COMMUNICATIONS WITH PARTIES INVOLVED IN THIS TRANSACTION

I authorize your brokerage to notify and or communicate with any other parties to obtaining a mortgage approval including lenders, mortgage insurers, other mortgage brokerage's or any other 3rd party service provider relevant to this transaction. When my application for a mortgage has been approved I provide authorization to communicate and disclose information regarding the status to my lawyer, the real estate agent, or other third-party (appraiser, etc.) involved in this transaction. Only where such information is relevant to this transaction and the party in question.

INDEMNIFICATION OF BROKERAGE REGARDING LENDER/INSURER REQUIREMENTS

I understand that any information you provide to me regarding potential mortgage approvals, products available to me, or other details about this mortgage transaction are based on your understanding of my personal financial situation as I have disclosed to you, the information contained in my Credit Bureau report, and the information provided to you by any Lender with whom you have been discussing my mortgage transaction. You will inform me whenever this information includes estimates or assumptions on your part based on other information I have provided. I acknowledge that any and all mortgage approvals and commitments provided to me are done so providing I meet all outstanding conditions associated with those approvals and commitments, that the withdrawal of those conditions is at the sole discretion of the Lender, and that the Lender retains the right to request additional information from me at any point up to and including the Closing Date of the mortgage transaction in order to satisfy their underwriting requirements. I also understand that my failure to meet these conditions may result in the mortgage not proceeding, and that this decision is at the sole discretion of the Lender.

DISCLOSURE OF MATERIAL RISKS

I acknowledge that you have disclosed to me the general risks to me associated with this mortgage, including:

- ☐ Affordability of this mortgage (including Principal, Interest, and Taxes) given my current financial situation (up to, and including, creating and reviewing a home budget for our current financial circumstances)
- ☐ Risk to this mortgage and my overall financial situation should I lose employment
- ☐ Risk of being charged NSF Fees charged by the Lender should any mortgage payments be returned by my financial institution
- ☐ Risk of having to pay administrative or discharge fees at the end of the term of this mortgage should I choose not to renew with this Lender, or should I pay this mortgage out in advance
- ☐ Risk of falling into arrears, and the impacts to me of doing so, including risks of default and foreclosure
- ☐ Prepayment penalties for paying out this mortgage early, and how they are calculated
- ☐ Interest Rate Differential penalties for paying out this mortgage early, and how they are calculated
- ☐ Risks of my property depreciating in value, resulting in potential loss of equity
- ☐ Risks of interest rates increasing after the renewal date at the end of the term, and potential negative impact on my personal financial situation and home budget should my payment potentially increase at that time
- ☐ Risk of having a fixed-rate mortgage, when mortgage rates may decrease in the short, medium, or long term over the course of the term of my mortgage, and the potential interest savings lost as a result of my locking in my mortgage interest rate for a fixed term

CREDIT BUREAU AND PRIVACY AUTHORIZATION

You may collect information during the course of my relationship with you from credit bureau, other financial institutions, and references I provide you. You may also disclose Information to credit bureau and financial institutions. (The word "Information" means financial and financially-related information about me, including, but not limited to, information to identify me or qualify me for products and services, or information that you need for regulatory requirements.) You may use the Information to identify me, protect us both from fraud and error, understand my needs and eligibility for services, recommend particular products and services to meet my needs, provide ongoing service, and comply with legal and regulatory requirements. Access to my information will be given only to individuals who have a need to know it, such as individuals who are responsible for servicing my account, for regulatory compliance, credit adjudication or for marketing. If the mortgage is insured, the insurer may obtain a credit report and other information about me, from any credit bureau or reporting agency and / or from you. You may retain my application and other personal information whether or not any transaction is ultimately complete.

ATTESTATION

By signing below, I acknowledge receipt of a copy of this form and have reviewed the information contained therein. I also acknowledge that I have received this form more than 2 business days prior to the signing of the actual mortgage instrument, unless I waive this requirement as well by initialing _____

Applicant Signature
Date

Co-Applicant Signature	Date
------------------------	------

Applicant Name (please print)

Co-Applicant Name (please print)

Applicant Identification Type

Co-Applicant Identification Type

Applicant Identification Number

Co-Applicant Identification Number

Authorized Agent Signature _____ Date _____

Centum Chartered Finance Inc. File Number

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

CLIENT RISK PROFILE FORM

Borrower Name:	Co-Borrower Name:
Address:	City, Province, Postal Code:
Telephone:	Email:

Risk Profile Questions

Please read the statements below, and check the circle that best represents your opinion, with 1 being **Strongly Disagree** and 10 being **Strongly Agree**

	Strongly Disagree										Strongly Agree									
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
I am concerned about an unexpected expense impacting my ability to pay a mortgage.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am concerned about job loss and being able to pay a mortgage.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have confidence in my long-term financial health.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important that I have stability in my monthly payment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have concerns about the impact of future interest rate movements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to pay off my mortgage faster than the amortization period.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to increase my monthly payments to pay down my principal faster.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to make a lump-sum payment on my mortgage once per year.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am not comfortable with fluctuations in the value of my home.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am prepared to make significant changes to my discretionary spending habits in order to afford a mortgage.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not expect to sell my property and move for at least five years from now.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I do not expect any major life changes or major expenditure changes for my home budget within the near future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I/We certify that the statements made above are true and correct to the best of my knowledge. I/We understand that you will make recommendations to me/us regarding specific mortgage products and services based on the answers to the questions above, explain any and all risks associated with these mortgage loans to me/us, and use this information in part to determine the overall affordability of any mortgage loan based on my/our current lifestyle.

Borrower Signature

Co-Borrower Signature

Date

Date

WAIVER

I/We understand that the specific mortgage we are asking you to arrange for me/us, including elements such as rate type, prepayment privileges, monthly payments, and other features of the mortgage falls outside of the risk profile indicated based on my/our answers to the questions above. You have fully explained all of these risks to me/us, including any changes that I/we may be required to make changes to my/our discretionary spending habits in order to fully afford this mortgage, and I/we direct you to complete this transaction for me/us with complete knowledge of these material risks and the potential for harm to my/our overall financial situation as a result of this mortgage.

Borrower Signature

Co-Borrower Signature

Date

Date

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

PRIVATE LENDER PROFILE FORM

Lender Name:	Primary Contact:
Address:	Preferred Contact Method:
City:	Telephone:
Province:	Mobile:
Postal:	Email:

Identification Type:	Identification Number:
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Total Approximate Amount Available for Mortgage Investments:

<table border="1"> <tr><th colspan="2">Approximate Income</th></tr> <tr><td>¢</td><td>Under \$25,000</td></tr> <tr><td>¢</td><td>\$25,000-\$49,999</td></tr> <tr><td>¢</td><td>\$50,000-\$74,999</td></tr> <tr><td>¢</td><td>\$75,000-\$99,999</td></tr> <tr><td>¢</td><td>\$100,000-\$199,999</td></tr> <tr><td>¢</td><td>\$200,000-\$999,999</td></tr> <tr><td>¢</td><td>Over \$1,000,000</td></tr> </table>	Approximate Income		¢	Under \$25,000	¢	\$25,000-\$49,999	¢	\$50,000-\$74,999	¢	\$75,000-\$99,999	¢	\$100,000-\$199,999	¢	\$200,000-\$999,999	¢	Over \$1,000,000	<table border="1"> <tr><th colspan="2">Approximate Net Worth</th></tr> <tr><td>¢</td><td>Under \$20,000</td></tr> <tr><td>¢</td><td>\$20,000-\$34,999</td></tr> <tr><td>¢</td><td>\$35,000-\$59,999</td></tr> <tr><td>¢</td><td>\$60,000-\$99,999</td></tr> <tr><td>¢</td><td>\$100,000-\$199,999</td></tr> <tr><td>¢</td><td>\$200,000-\$999,999</td></tr> <tr><td>¢</td><td>Over \$1,000,000</td></tr> </table>	Approximate Net Worth		¢	Under \$20,000	¢	\$20,000-\$34,999	¢	\$35,000-\$59,999	¢	\$60,000-\$99,999	¢	\$100,000-\$199,999	¢	\$200,000-\$999,999	¢	Over \$1,000,000	<table border="1"> <tr><th colspan="4">Investment Objectives</th></tr> <tr><td>¢</td><td>Safety</td><td>¢</td><td>Growth</td></tr> <tr><td>¢</td><td>Income</td><td>¢</td><td>Aggressive Growth</td></tr> <tr><td>¢</td><td>Balanced</td><td>¢</td><td>Speculative</td></tr> </table>	Investment Objectives				¢	Safety	¢	Growth	¢	Income	¢	Aggressive Growth	¢	Balanced	¢	Speculative									
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Assets/Liabilities Breakdown			
Investments		Mortgages	
RRSP		Loans	
Princ. Res		Other	
Total Assets		Total Liab.	
Total Net Worth			

Signatories below hereby certify that the information provided above is complete and accurate to the best of our knowledge. We understand that you will use this information in part to recommend suitable mortgage investments, and will also consider any underwriting guidelines which we will provide to you for your files. We understand that mortgage investments are in no way guaranteed by the client, the Agent or Broker, the Brokerage, or the Government of Ontario, and understand the inherent risks associated with these types of transactions.

Client Signature

Joint Signature

Date

Date

Agent/Broker Signature

Date

Principal Broker Approval

Date

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

CORPORATION AGREEMENT

This Agreement between _____ (Brokerage)

And _____ (Corporation)

And _____ (Agent);

Whereas _____ is licensed by FSRA as a mortgage broker/mortgage agent, and is authorized to deal in mortgages on behalf of the Brokerage;

And whereas _____ hereby directs the Brokerage to pay all compensation for mortgage related activities to the Corporation.

The Corporation hereby declares:

1. all brokers and agents affiliated or associated with the Corporation are authorized to deal in mortgages only on behalf of the Brokerage;
2. the Corporation does not carry on the business of dealing or trading in mortgages other than providing the services of the Agent to the Brokerage;
3. the Corporation will not carry on the business of a mortgage lender unless it does so solely through the Brokerage;
4. the Corporation and its members will not represent to the public, directly or indirectly, that the Corporation carries on the business of dealing in mortgages or as a mortgage lender;
5. the Corporation will not receive, directly or indirectly, revenue for dealing or trading in mortgages from any person or entity other than the Brokerage;
6. a majority of the Corporation's directors are brokers or agents of the Brokerage;
7. a majority of the equity of the Corporation is legally and beneficially owned, directly or indirectly, by one or more brokers or agents of the Brokerage;
8. the Corporation agrees not to hinder or obstruct the Brokerage or the Principal Broker in the performance of their duties under the MBLAA, and not to hinder or obstruct the Agent in the performance of his duties under the Act;
9. the Corporation agrees to abide fully with Ontario Regulation 407/07, as amended by Ontario Regulation 186/08, or subsequent legislation respecting this Agreement.

The Agent hereby declares:

1. the Agent will not receive compensation for dealing in mortgages from any other party or entity except as outlined in this Agreement;

2. the Agent will not direct any other party or entity to direct compensation for dealing or trading in mortgages to the Corporation, but will direct payment of those funds to the Brokerage;
3. the Agent agrees to abide fully with Ontario Regulation 186/08 or subsequent legislation respecting this Agreement.

Signed at _____ this _____ day of _____, 20_____.

Per: _____
Authorized Representative of Brokerage

Per: _____
Authorized Representative of Corporation

Per: _____
Agent

CERTIFICATION FORM
DESIGNATED CLASS OF LENDERS AND INVESTORS

The Mortgage Brokerages, Lenders and Administrators Act, 2006 of Ontario defines the designated classes of lenders and investors as follows:

Initial on appropriate line(s)

1. An administrator or trustee of a registered pension plan within the meaning of subsection 248 (1) of the *Income Tax Act* (Canada). _____
2. A person or entity who is registered as an adviser or dealer under the *Securities Act* when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity. _____
3. A person or entity who is registered under securities legislation in another province or territory of Canada with a status comparable to that described in paragraph 2 when the person or entity is acting as a principal or as an agent or trustee for accounts that are fully managed by the person or entity. _____
4. A person or entity, other than an individual, who has net assets of at least \$5 million as reflected in its most recently-prepared financial statements and who provides written confirmation of this to the brokerage. _____
5. An individual who, alone or together with his or her spouse, has net assets of at least \$5 million and who provides written confirmation of this to the brokerage. _____
6. An individual who, alone or together with his or her spouse, beneficially owns financial assets (being cash, securities within the meaning of the *Securities Act*, the cash surrender value of a life insurance contract, a deposit or evidence of a deposit) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million and who provides written confirmation of this to the brokerage. _____
7. An individual whose net income before taxes in each of the two most recent years exceeded \$200,000 or whose net income before taxes in each of those years combined with that of his or her spouse in each of those years exceeded \$300,000, who has a reasonable expectation of exceeding the same net income or combined net income, as the case may be, in the current year and who provides written confirmation of this to the brokerage. _____
8. A person or entity in respect of which all of the owners of interests, other than the owners of voting securities required by law to be owned by directors, are persons or entities described in paragraphs 1 to 8 (para. 1 to 12 of *O.R. 188/08 (2)*). _____

As a designated lender / investor the Brokerage is not obligated to give you the investor disclosure form or other supporting documentation that may be required under the *Mortgage Brokerages, Lender and Administrators Act, 2006*. You are entitled to receive this form if you request it, and to receive any supporting documentation that you feel is necessary in making an informed decision about the mortgage investment being offered to you at any given time. You may sign a mortgage commitment immediately upon being offered a mortgage investment should you so elect.

Centum Chartered Finance Inc. will always be representing (circle one) The Lender / Both the Lender and the Borrower(s) / The Borrower(s) in the mortgages we offer you unless we advise you in writing otherwise.

At the time of application, we will make our best efforts to identify the borrower(s) in all of our mortgage applications. If we cannot do so for any reason, we will require the solicitor acting on your behalf to do so on closing or advise you that we have been unable to identify the borrower(s).

All mortgage investments are accompanied by a level of risk. These risks may include the fact that the borrower may not be able to repay the mortgage on the maturity date, may be unable to meet his payments on your and or another mortgage on the property, may allow the property taxes to go into arrears and or the insurance may lapse or be cancelled, the property value may decrease during the term of the mortgage, and other risks that are inherent in any mortgage investment.

Thank you for investing in mortgages through Centum Chartered Finance Inc., 404-500 Hood Rd.; Markham, ON; L3R 9Z3

Broker Name

Broker Lic. No.

Broker Signature

I hereby certify that I qualify under one or more of the definitions of a designated classes of lenders and investors as indicated above.

Dated at _____ this ____ day of _____, 20__.

Investor Name

Investor Signature

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

EMPLOYMENT UNDERSTANDING

I, _____ hereby acknowledge that I have read and understand the Policies and Procedures Manual as provided by Centum Chartered Finance Inc. .

I further acknowledge that if I am in breach of these protocols, then I am fully responsible for any and all civil, and/or criminal and/or administrative liabilities and/or sanctions incurred arising from said breach.

Dated

Signed

Dated

Principal Broker Signature

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

NEW MORTGAGE AGENT OR ADMINISTRATOR APPLICANT EVALUATION FORM (INTERVIEW)

APPLICANT INFORMATION
Name
Applying for
Date
Interviewer

HIRING RECOMMENDATION
Hire <input type="checkbox"/> Not Hire <input type="checkbox"/>

CANDIDATE EVALUATION	Poor	Fair	Satisfactory	Good	Excellent
Knowledge of Specific Job Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales History	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Related Education or Training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Initiative/Sales Acumen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication/Listening Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Attitude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Likelihood of Success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STRENGTHS
WEAKNESSES
ADDITIONAL COMMENTS

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

Mortgage Agent Name: _____

CLIENT'S NAME: _____ FILE #: _____ / _____
File # Lender Reference #

PROPERTY: _____ MORTGAGE AMT \$ _____

LENDER: _____ CLOSING DATE: _____

Mortgage Type: Purchase _____, Refinance _____, Other _____

*PLEASE PACKAGE IN THIS ORDER

- ☐ **Signed** Client Agreement (*Copy given to client*)
- ☐ Credit Bureau report (NO COPY TO CLIENT)
- ☐ **Signed** Lenders Commitment (*Copy given to client*)
- ☐ **Signed** Ontario Disclosure to Borrower (*Copy given to client*)
- ☐ **Initialed** Amortization Summary (*Copy given to client*)
- ☐ **Signed** Life Insurance form – accepted/refused (*Copy given to client*)
- ☐ Void Cheque
- ☐ Direct Deposit Form (*Required by some lenders*)
- ☐ Solicitor Information
- ☐ Proof of Closings Costs (Bank Statement/Gift Letter=1.5%)
- ☐ Agreement of Purchase & Sale (*all realtor forms)
- ☐ MLS listing
- ☐ Verification of down payment
 - ☐ 3 Months Bank Statements
 - ☐ Gift Letter
 - ☐ RRSP/GIC
 - ☐ Equity
 - o Copy of existing mortgage (s)
 - o Agreement of Purchase & Sale on existing property
 - ☐ Other _____
- ☐ Appraisal Enclosed / Waived or Lender Direct / Insured (*CMHC / Genworth/Canada Guaranty*)
- ☐ Other correspondence that is a condition of the deal (*ie. Bridge Finance*)
- ☐ Status as "Final" & forwarded to Compliance/Payroll

For each requirement choose only 2.

- ☐ Verification of employment, *Applicant*; (please check all that apply)
 - ☐ Pay stub
 - ☐ LOE
 - ☐ If BFS (Specify) _____
- ☐ Verification of employment, *Co-App*; (please check all that apply)
 - ☐ Pay stub
 - ☐ LOE
 - ☐ If BFS (Specify) _____
- ☐ Verification of Income, *Applicant*; (please check all that apply)
 - ☐ T1 General & all schedules
 - ☐ NOA
 - ☐ Pension Income
 - ☐ Child Support Order
 - ☐ CCTB
 - ☐ Other _____
- ☐ Verification of Income, *Co-Applicant*; (please check all that apply)
 - ☐ T1 General & all schedules
 - ☐ NOA
 - ☐ Pension Income
 - ☐ Child Support Order
 - ☐ CCTB
 - ☐ Other _____

Declaration of Due Diligence in the
Prevention of Fraud (Signature) _____

REFERRAL SOURCE

Name: _____ Realtor ____/ Other ____

Company: _____

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT, entered into at _____ (city), in the Province of Ontario with effect on the _____ day of _____, 2015 between:

Name of Mortgage Broker/Agent/Corporation
(the “**Broker/Agent/Corporation**”)

AND:

Name of Contractor of xxxx Street, City, Ontario, Postal Code
(the “**Contractor**”)

WHEREAS:

- A. The Mortgage Broker/Agent/Corporation <describe business, services, and products provided>
- B. The Contractor is engaged in the business of providing <_____>; and
- C. The Mortgage Broker or Agent desires to avail itself of the Contractor’s services in order to <describe service> and the Contractor has agreed to provide such services in accordance with the conditions and terms set out herein.

IN CONSIDERATION of the mutual promises and agreements contained in this Agreement, the parties agree as follows:

1. TERM

- 1.1 This Agreement shall come into force on <date> and shall continue indefinitely until terminated in accordance with the terms set out below (the “**Term**”).

2. SCOPE OF SERVICES

- 2.1 The Contractor agrees that the Services will be performed only by **Name of Contractor**.
- 2.2 The scope of the Contractor’s duties may be changed from time to time by an agreement in writing signed by the parties without thereby terminating this Agreement. If so changed, the Contractor’s engagement with the Broker/Agent/Corporation shall be construed as continuing under this Agreement, as modified in accordance with such agreement.
- 2.3 The Contractor agrees not to do anything that would undermine or subvert the Broker/Agent/Corporation in any way. Without in any way limiting the foregoing, the Contractor will perform his/her duties in a manner which at all times reflects favourably on the Broker/Agent/Corporation and its leadership and will not engage in any unfair, unlawful or deceptive practices.

3. OBLIGATIONS OF CONTRACTOR

3.1 During the Term of this Agreement, the Contractor shall have the following duties and obligations, in addition to any other duties and obligations of the Contractor set forth in this Agreement:

- (a) **List duties and obligations here**
- (b) The Contractor will provide, at its own expense, such tools and equipment as may be required to carry out its obligations under this Agreement, except in circumstances where the Broker/Agent/Corporation or a client has agreed to provide such tools and/or equipment.
- (c) The Contractor will conduct business in a manner which at all times reflects favorably on the Broker/Agent/Corporation and not engage in any unfair, unlawful or deceptive practices.
- (d) The Contractor will notify the Broker/Agent/Corporation promptly of any change of location.

4. RELATIONSHIP OF THE PARTIES

- 4.1 The Contractor will provide the Services to the Broker/Agent/Corporation as an Independent Contractor and shall not be deemed to be an employee for any purpose. Nothing contained in this Agreement, or in the relationship between the parties, will create an employment relationship between the Broker/Agent/Corporation and the Contractor.
- 4.2 In providing the Services, the Contractor shall have full discretion as to the manner of providing the Services, and shall render such Services in accordance with the highest professional standards. The Contractor shall have complete control of the means, manner, and method by which the Contractor will perform the Services contracted for, and the sequence of performance of those Services.
- 4.3 The Contractor hereby acknowledges that he/she is not an employee and that the Contractor will not be treated or regarded as the Broker/Agent/Corporation's employee for tax or employment insurance purposes. In accordance with this relationship, the Broker/Agent/Corporation will not withhold taxes or other amounts that would normally be withheld from payments to an employee. The Contractor agrees that he/she will fully indemnify and hold harmless the Broker/Agent/Corporation with respect to any claims that may be advanced, initiated, commenced or asserted by Canada Revenue Agency, the Employment Insurance Commission, or any similar statutory body or their successors, with regard to any claims that may be made regarding a failure to withhold or submit amounts for taxes, employment insurance, or otherwise.
- 4.4 The Contractor will be responsible for payment of wages to any of its employees used in the execution of its duties, and will be responsible for the withholding and remittance of any

amounts that he/she is legally obligated to withhold and/or remit, including but not limited to income tax and employment insurance. The Contractor will pay and collect all employment and other applicable taxes when due, and will provide proof of collection and payment of such taxes and the filing of related returns and reports as may be requested by the Broker/Agent/Corporation.

- 4.5 The Broker/Agent/Corporation will be responsible to the Contractor only in accordance with the terms set out herein and it is expressly agreed and understood that benefit plans, including health insurance, disability benefits, or otherwise, will not be made available to the Contractor.
- 4.6 The Contractor and Broker/Agent/Corporation are independent parties contracting solely for the purpose of carrying out the terms and provisions of this Agreement. This Agreement shall not be construed or understood to indicate or constitute either party as the partner, joint venturer, employee or employer of the other, nor be understood or construed to indicate or constitute any relationship between the parties other than that of distributor and independent Contractor.

5. FEES AND DISBURSEMENTS

- 5.1 The Contractor will provide the Services at a rate of **<\$rate of pay>** per hour. The Broker/Agent/Corporation will not pay the Contractor for more than 40 hours in any week unless the Contractor has obtained prior authorization from the Broker/Agent/Corporation.
- 5.2 The Contractor agrees to invoice the Broker/Agent/Corporation for all the Services performed. The Services provided are to be substantiated by weekly timesheets. If the Contractor is HST registered, the HST amount and number must be shown on any invoices or timesheets submitted to the Broker/Agent/Corporation by the Contractor in connection with the Services.
- 5.3 Timesheets are to be submitted on a weekly basis, and will be paid by the Broker/Agent/Corporation within **<insert number>** of days of receipt.

6. NON-EXCLUSIVITY

- 6.1 Subject to section 11 below, the Broker/Agent/Corporation acknowledges that the Contractor may, from time to time, provide services to other persons, firms and companies during the Term, but the Contractor shall not provide such services if the ability of the Contractor to provide the Services is thereby materially diminished or impaired.

7. NO CONFLICTING OBLIGATIONS

- 7.1 The Contractor confirms that he/she has no existing legal obligations that would prevent them from entering into this Agreement or carrying out the duties contemplated herein.
- 7.2 The Contractor represents and warrants that this contractual relationship with the Broker/Agent/Corporation will not conflict with and will not be constrained by any prior employment or consulting agreement or relationship. The Contractor represents and warrants

that he/she will not bring any documents or things to the Broker/Agent/Corporation from her previous employment or contracts which contain confidential information. The Contractor is hereby advised that the Broker/Agent/Corporation does not desire to receive any confidential information in breach of the Contractor's obligations to others and the Contractor agrees that he/she will not disclose to the Broker/Agent/Corporation or use in the performance of the Contractor's duties for the Broker/Agent/Corporation any confidential information in breach of their obligation to any third party.

- 7.3 Any legal obligation on the Contractor's part that would restrict the Contractor's ability to carry out the Contractor's duties under this Agreement will constitute a material breach resulting in termination of this Agreement.

8. OWNERSHIP OF CREATIONS

- 8.1 The Contractor agrees that all rights, title and interest in and to all things developed, conceived, or in any way created by you in connection with the Services to be provided pursuant to this Agreement, and the results thereof (whether tangible or intangible), shall be owned exclusively and solely by the Broker/Agent/Corporation, including, without limitation, all patents, copyrights, trade secrets, innovations, concepts and ideas developed hereunder or intellectual properties.
- 8.2 The Contractor agrees to waive any moral rights he/she may have in relation to any copyrightable material you create during the Term and within twelve (12) months after the Term.
- 8.3 Upon request by Broker/Agent/Corporation, either during or after the Term, the Contractor agrees to execute any applications, assignments, waivers and other instruments that Broker/Agent/Corporation deems necessary to obtain all applicable proprietary rights, without additional compensation.
- 8.4 The Contractor's obligations with respect to inventions and improvements are binding on its heirs, executors, successors and assigns.

9. CONFIDENTIALITY

- 9.1 In the course of our relationship, the Contractor may receive confidential information (the "**Confidential Information**") about Broker/Agent/Corporation and its customers, including the Client. For the purposes of this Agreement, the Confidential Information includes but is not limited to the following:
- (a) processes, research and development information;
 - (b) trade secrets;
 - (c) information about operations, including products and services offered;
 - (d) financial information, such as pricing and rate information;

- (e) documents, records or other information concerning sales or marketing strategies;
- (f) member lists, records and information including lists of present and prospective member and related information;
- (g) information relating to employees, Board of Directors, vendors and contractors, including but not limited to, employment status, vendor/contractor status, personnel records, performance information, compensation information and job history;
- (h) privileged information, including advice received from professional advisors such as legal counsel and financial advisors; and
- (i) information contained in manuals including, but not limited to, training materials, plans, drawings, designs, specifications and other documents and records belonging, even if such information has not been labeled or identified as confidential.

9.2 The Contractor agrees that disclosure of the Confidential Information would be highly detrimental to best interests of the Broker/Agent/Corporation and its customers, including the Client and agrees:

- (i) to take precautions to protect and maintain the Confidential Information;
- (ii) to only release the Confidential Information to those authorized to receive it, and then only on a need-to-know basis;
- (iii) not to disclose, publish or disseminate to any unauthorized person, at any time either during the Term or after it ends, the Confidential Information;
- (iv) not to remove any Confidential Information from the premises of the Broker/Agent/Corporation or a customer, including the Client, without our express permission;
- (v) not to use any of the Confidential Information, either directly or indirectly, other than as necessary in carrying out the Contractor's duties on behalf of the Broker/Agent/Corporation, at any time during or subsequent to the Term, without first obtaining the Broker/Agent/Corporation's consent;
- (vi) not to use any of the Confidential Information for the purpose of assisting any entity that competes with the Broker/Agent/Corporation or its subsidiaries,
- (vii) to take all reasonable precautions to prevent inadvertent use, copying, transfer or destruction of any Confidential Information, and
- (viii) to safeguard against unintentionally disclosing Confidential Information (e.g., by not discussing the Confidential Information in public and by not working with the Confidential Information on a laptop in public, or transmitting such information by unsecured means).

At the end of this Agreement, the Contractor must immediately return all materials or property belonging to Broker/Agent/Corporation. The Contractor agrees not to retain, reproduce or use any confidential or proprietary information or property belonging to Broker/Agent/Corporation.

- 9.3 The Contractor acknowledges and agrees that the obligations under this section are to remain in effect in perpetuity, and shall remain in force regardless of how the Contractor's relationship with the Broker/Agent/Corporation comes to an end.

10. CONFLICTS OF INTEREST

- 10.1 The Contractor is required to avoid any conflicts of interest or perceived conflicts of interest that might force one to choose between the Contractor's own personal or financial interests and the interests of Broker/Agent/Corporation. A conflict of interest includes, without limitation:
- (a) obtaining for the Contractor or an entity in which you have an interest, any proprietary or business advantage, either belonging to the Broker/Agent/Corporation or for which the Broker/Agent/Corporation has been negotiating
 - (b) having a personal or financial interest that impairs the Contractor's ability to perform the Contractor's duties in an objective manner
 - (c) using the Contractor's position for personal or financial gain for the Contractor or for a spouse, family member or close personal friend; and
 - (d) receiving business gifts or entertainment that compromise, or appear to compromise, the Contractor's ability to make objective and fair business decisions.
- 10.2 It is understood and agreed that any business opportunity relating to or similar to the Broker/Agent/Corporation's current or anticipated business opportunities coming to the attention of the Contractor during the Contractor's retainer is an opportunity belonging to the Broker/Agent/Corporation. Accordingly, the Contractor will advise the Broker/Agent/Corporation of the opportunity and cannot pursue the opportunity, directly or indirectly, without the written consent of the Broker/Agent/Corporation.
- 10.3 Without the written consent of the Broker/Agent/Corporation, the Contractor further agrees not to directly or indirectly, engage or participate in any other business activities which the Broker/Agent/Corporation, in its sole and absolute discretion, determines to be in conflict with the best interests of the Broker/Agent/Corporation.

11. NON-SOLICITATION

- 11.1 The Contractor shall not, either during the Agreement or for a period of twelve (12) months following the termination of the Agreement for any reason including resignation, directly or indirectly contact or solicit any customers of the Broker/Agent/Corporation with whom the

Contractor has with dealt during the Term, for the purpose of selling to those customers any products or services which are the same as or substantially similar to, or in competition with, the products or services sold by the Broker/Agent/Corporation or any of its subsidiaries or affiliates at the time of the Contractor's termination. The Contractor also agrees not to accept business from any customers that the Broker/Agent/Corporation provided Services to during the Term.

- 11.2 The Contractor shall not either during the Agreement or for a period of twelve (12) months following the termination of the Agreement for any reason including resignation, directly or indirectly contact or solicit any employees or other contractors of the Broker/Agent/Corporation for the purpose of having those employees or contractors work with the Contractor or any third party, either as an employee, contractor, or otherwise.
- 11.3 This covenant shall remain in force regardless of how our relationship with the Broker/Agent/Corporation comes to an end, including but not limited to situations where the Broker/Agent/Corporation terminates the relationship for just cause, and despite any changes to other terms of this Agreement.

12. NON-INTERFERENCE

- 12.1 The Contractor shall not, during the Term of this Agreement and for a period of twelve (12) months following the termination of this Agreement, for any reason, on the Contractor's own behalf or on behalf of any other person, whether directly or indirectly, in any capacity whatsoever, alone, through or in connection with any third party, interfere or attempt to interfere with the Broker/Agent/Corporation or persuade or attempt to persuade any customer, employee or supplier of the Broker/Agent/Corporation or any of its affiliates to discontinue or alter such person's relationship with the Broker/Agent/Corporation or any of its affiliates.
- 12.2 This covenant shall remain in force regardless of how our relationship with the Broker/Agent/Corporation comes to an end, including but not limited to situations where the Broker/Agent/Corporation terminates the relationship, and despite any changes to other terms of this Agreement.

13. TERMINATION

- 13.1 Either party may terminate this Agreement upon ____ (insert) business days written notice to the other party.
- 13.2 In the event of termination, Contractor shall cease work immediately after giving or receiving such notice or termination, unless otherwise advised by the Broker/Agent/Corporation to continue work during the notice period. Contractor shall return to the Broker/Agent/Corporation all Information, Service Product, and other materials belonging to the Broker/Agent/Corporation, and shall notify the Broker/Agent/Corporation of costs incurred up to the termination date.

14. ASSIGNMENT, BENEFIT

- 14.1 This Agreement is for the exclusive services of the Contractor and may not be assigned by Contractor nor shall it be assignable by operation of law by the Contractor, without the prior written consent of the Broker/Agent/Corporation. Without limiting the generality of the foregoing, any tasks assigned to the Contractor must be completed personally by the Contractor unless the Broker/Agent/Corporation confirms otherwise in writing.
- 14.2 The Broker/Agent/Corporation may assign its rights and obligations pursuant to this Agreement at its sole discretion.
- 14.3 The parties' rights and obligations under this Agreement will bind and inure to the benefit of their respective successors, heirs, executors, and administrators and permitted assigns.

15. SEVERABILITY

- 15.1 If any provision of this Agreement, or the application thereof, becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Agreement which shall remain in force and be binding as though the said provision had never been included.

16. ENTIRE AGREEMENT

- 16.1 This Agreement and any documents referenced herein constitute the entire Agreement between the parties with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between the parties hereto with respect thereto.

17. AMENDMENT

- 17.1 No term or provision of this Agreement may be changed, waived, supplemented or discharged orally, except by an instrument in writing signed by all parties.

18. INDEPENDENT ADVICE

- 18.1 The parties hereto acknowledge that they have been afforded an opportunity to obtain independent legal advice with respect to this Agreement and its terms, and are executing this Agreement freely, voluntarily and without duress, with the intent that their relationship will be bound by the terms and conditions set out herein.

19. GOVERNING LAW

- 19.1 This Agreement shall be governed by the laws applicable in the Province of Ontario.

20. CONDITIONAL

- 20.1 This Agreement is conditional upon successful verification and/or completion of reference checks used to assess overall suitability for this engagement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Date

Per:

Name:

Title:

I have the authority to bind the Corporation

ACCEPTANCE AND ACKNOWLEDGMENT

I have had ample opportunity to review the terms of the Broker/Agent/Corporation's offer as set out in this letter with legal counsel. If I did not do so, it is because I understood the terms of the offer, and the consequences of agreeing to them, and decided not to seek legal advice with respect thereto. I hereby accept the offer set out above. I acknowledge that I am accepting this offer freely, voluntarily and without duress, and with a full understanding of the consequences of doing so.

- ☐ I confirm that I have reviewed the terms of this offer with legal counsel.
- ☐ I confirm that I had the opportunity to review the terms of this offer with legal counsel, but chose not to.

Date

Signature

Name

Know Your Client

Fill out all fields as accurately as possible to assist us in determining the overall affordability of your new mortgage.

INCOME	Budget
Wages & Tips	
Interest Income	
Dividends	
Gifts Received	
Refunds/Reinbursements	
Transfer from Savings	
Other	
Other	
Total INCOME	

HOME EXPENSES	Budget
Mortgage/Rent	
Electricity	
Gas/Oil	
Water/Sewer/Trash	
Phone	
Cable/Satellite	
Internet	
Furnishings/Appliances	
Lawn/Garden	
Home Supplies	
Maintenance	
Improvements	
Other	
Total HOME EXPENSES	

DAILY LIVING	Budget
Groceries	
Personal Supplies	
Clothing	
Cleaning Services	
Dining/Eating Out	
Dry Cleaning	
Salon/Barber	
Discretionary [Name 1]	
Discretionary [Name 2]	
Other	
Total DAILY LIVING	

EDUCATION	Budget
Music Lessons	
Tuition	
Other	
Total EDUCATION	

SAVINGS	Budget
Emergency Fund	
Transfer to Savings	
Retirement (RRSP, TFSA, etc.)	
Investments	
College	
Other	
Total SAVINGS	

OBLIGATIONS	Budget
Student Loan	
Other Loan	
Credit Card #1	
Credit Card #2	
Credit Card #3	
Alimony/Child Support	
Federal Taxes	
Provincial/Local Taxes	
Legal Fees	
Other	
Total OBLIGATIONS	

BUSINESS EXPENSE	Budget
Deductible Expenses	
Non-Deductible Expenses	
Other	
Other	
Total BUSINESS EXPENSE	

ENTERTAINMENT	Budget
Videos/DVDs	
Music	
Games	
Rentals	
Movies/Theater	
Concerts/Plays	
Books	
Hobbies	
Film/Photos	
Sports	
Outdoor Recreation	
Toys/Gadgets	
Other	
Total ENTERTAINMENT	

Know Your Client

Fill out all fields as accurately as possible to assist us in determining the overall affordability of your new mortgage.

CHILDREN	Budget
Medical	
Clothing	
School Tuition	
School Lunch	
School Supplies	
Babysitting	
Toys/Games	
Other	
Total CHILDREN	

TRANSPORTATION	Budget
Vehicle Payments	
Fuel	
Bus/Taxi/Train Fare	
Repairs	
Registration/License	
Other	
Total TRANSPORTATION	

HEALTH	Budget
Doctor/Dentist	
Medicine/Drugs	
Health Club Dues	
Emergency	
Other	
Total HEALTH	

INSURANCE	Budget
Auto	
Health	
Home/Rental	
Life	
Other	
Total INSURANCE	

CHARITY/GIFTS	Budget
Gifts Given	
Charitable Donations	
Religious Donations	
Other	
Total CHARITY/GIFTS	

PETS	Budget
Food	
Medical	
Toys/Supplies	
Other	
Total PETS	

SUBSCRIPTIONS	Budget
Newspaper	
Magazines	
Dues	
Club Memberships	
Other	
Total SUBSCRIPTIONS	

VACATION	Budget
Travel	
Lodging	
Food	
Rental Car	
Entertainment	
Other	
Total VACATION	

MISCELLANEOUS	Budget
Bank Fees	
Postage	
Other	
Other	
Other	
Other	
Total MISCELLANEOUS	

MONTHLY BUDGET SUMMARY	
	Budget
Total Income	
Total Expenses	
NET	

GROSS DEBT SERVICE	Budget
New Mortgage Payment	
Property Taxes	
1/2 Condo Fees	
Heat Component	
Total GROSS DEBT SERVICE	

TOTAL DEBT SERVICE (TDS)	
---------------------------------	--

Know Your Client

Fill out all fields as accurately as possible to assist us in determining the overall affordability of your new mortgage.

By signing below, we are certifying that the information provided above is accurate to the best of our knowledge, and that this information will be used in order to assist in determining the overall affordability of this mortgage transaction.

Client Signature

Client Signature

Date

Date

WAIVER

I/We understand that the specific mortgage we are asking you to arrange for me/us **may not be affordable** for our current lifestyle, as indicated by the information provided above, and that I/we will be required to make changes to my/our discretionary spending habits in order to fully afford this mortgage. You have fully explained all material risks to me/us, including the risks of foreclosure, unforeseen expenses, additional costs associated with owning a home, risks of property declining in value, and the potential for harm to my/our overall financial situation as a result of this mortgage. I/we direct you to complete this transaction for me/us with complete knowledge of these material risks, and we assume full responsibility for any consequences, financial or otherwise, that may result from the completion of this mortgage transaction.

Client Signature

Client Signature

Date

Date

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

Not Dealing in Non-Qualified Syndicated Mortgages

We, at Centum Chartered Finance Inc. have a standing policy with regards to maintaining a high level of compliance with the Rules and Regulations of the Mortgage Brokers Lenders Administrators Act 2006 of Ontario. Also it is a condition of our Errors and Omissions Insurance protection. Therefore, to that end the following guideline is mandatory for employment at Centum Chartered Finance Inc.

It is the policy of Centum Chartered Finance Inc. that this brokerage and none of Centum Chartered Finance Inc. 's brokers and agents or staff will promote, sell, represent, refer or otherwise deal in Non-qualified Syndicated Mortgages in any of the Provinces and Territories of Canada.

*Non-qualified mortgages as clarified by Ontario Regulation 188/08 amendment Ontario Regulation 96/18 <https://www.ontario.ca/laws/regulation/r18096>

I, _____ FSRA Licence _____,
do hereby acknowledge that by signing this document I agree with this condition
of employment with Centum Chartered Finance Inc. Brokerage.
Signed in the Municipality of _____ in the Province of
_____, Canada on this day of _____ Month _____ Year _____.

Signature _____

Principal Broker _____ Centum Chartered Finance Inc. Brokerage
FSRA # _____

Signed _____ Dated _____

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

AGREEMENT REGARDING NON-MONETARY COMPENSATION

This agreement between _____ (Brokerage)

And _____ (Lender)

And _____ (Agent)

Whereas _____ is licensed with FSRA as a mortgage broker/mortgage agent, and is authorized to deal the mortgages on behalf of the Brokerage;

And whereas the Lender (be it a financial institution or another brokerage) may offer non-monetary compensation for the placement of mortgage related products:

1. the Brokerage hereby consents to the payment of this compensation directly to the Agent;
2. the Lender agrees to provide, in writing, details of the particulars of compensation paid, periodically, and upon request by the Brokerage;
3. the Agent consents to the payment of this compensation directly to him;
4. all parties agree to abide by Ontario Regulation 187/08, Section 5, or as subsequently amended.

Signed at _____ this _____ day of _____, 20____.

Per: _____
Authorized Representative of Brokerage

Per: _____
Authorized Representative of Lender

Per: _____
Agent

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

REFERENCE CHECK

Candidate Name:	Reference Contact Name:
Position Applied For:	Job Title:
Date:	Organization:
Reference Check Completed by:	Phone Number:

1. What were his/her areas of strength?
2. Can you describe for me the environment in which this salesperson would be the most successful?
3. What would you say was his/her biggest accomplishment?
4. How would you describe the applicant's energy level and stamina?
5. Please describe, with an example, the applicant's ability to problem-solve for a client.
6. How would you describe the applicant's negotiation skills? Please provide an example.
7. How would you describe the applicant's decision-making ability? Please provide an example.
8. How would you describe the applicant's judgment? Please provide an example.
9. Please describe the applicant's communication skills. Please provide an example.
10. How would you describe his/her interaction with customers?
11. Describe this person's relationships with co-workers. Please describe the type of conflict he/she encountered with co-workers.
12. How was (s)he perceived by others? (Specifically regarding attitude)
13. How did (s)he handle stress? What would (s)he do to cope? Give example.
14. Will you please comment on his/her organization and time-management skills? Please provide examples.
15. How would you describe the applicant's adaptability? Can you give me an example of when the applicant had to prove his/her ability to adapt?
16. What areas were identified for improvement in the candidate's performance?

NOTE: See Section 3.1.2 for more Effective Recruiting information.

Centum Chartered Finance Inc.

FSRA Licence Number: 12791

RESOURCES

It is recommended that every Principal Broker, Broker, Agent and administrator familiarize themselves not only with the essence of the Mortgage Brokerages, Lenders and Administrators Act 2006 and accompanying Rules and Regulations, but also with the actual Legislation itself. Therefore we have provided the MBLAA, 2006 and the accompanying Rules & Regulations in the following Section. The links below are direct links for your reference of the same.

<http://www.ontario.ca/laws/statute/06m29>
<http://www.ontario.ca/laws/regulation/070406>
<http://www.ontario.ca/laws/regulation/070407>
<http://www.ontario.ca/laws/regulation/070408>
<http://www.ontario.ca/laws/regulation/070409>
<https://www.ontario.ca/laws/regulation/070410>
<http://www.ontario.ca/laws/regulation/080187>
<http://www.ontario.ca/laws/regulation/080188>

<http://www.ontario.ca/laws/regulation/080190>
<http://www.ontario.ca/laws/regulation/080191>
<http://www.ontario.ca/laws/regulation/080192>
<http://www.ontario.ca/laws/regulation/080193>

Mortgage Administrators

<http://www.ontario.ca/laws/regulation/080189>
<https://www.ontario.ca/laws/regulation/070411>

Contributors

The writing and creation of this document was done with the help and assistance of many individuals. We cannot name them all, but want to give special thanks to the following contributors to this manual:

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Important Information About This Form

Purpose of Form

This form assists the mortgage brokerage to collect important information about the investor/lender. It may be referred to generally as a 'know-your-client' or KYC form. Pursuant to Section 24.1 (1) (a) of Ontario Regulation 188/08, the mortgage brokerage must collect, and take reasonable steps to verify the accuracy of, the following information from the investor/ lender:

- Name, age, marital status and number of dependents;
- Financial circumstances (e.g., income, net worth and investment holdings);
- Investment needs and objectives (e.g., preserve capital, income, capital growth or cash-flow);
- Risk tolerance (e.g., ability and willingness to absorb investment risks);
- Level of financial knowledge and investment experience (e.g., familiarity with various investment products);
- Relationship with the mortgage brokerage (e.g., the investor/lender is a mortgage broker, agent, shareholder, director, officer or partner of the mortgage brokerage); and
- Any other information required to complete this form as approved by the Superintendent.

The mortgage brokerage will use this information, and any other factors relevant to the circumstances of the investor/ lender, to determine whether a proposed investment/loan in a non-qualified syndicated mortgage (as outlined in Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage) is suitable for the investor/lender.

Non-qualified syndicated mortgage investments generally carry higher risks relating to participating in a syndication and the financing of real estate (e.g., liquidity, project completion and financing risks) in addition to general default risk. Consequently, it is critical that the mortgage brokerage have a thorough understanding of the ability and willingness of the investor/lender to accept those risks given the investor/lender's unique circumstances.

Investment Limit

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to \$60,000 in any 12-month period for investors/lenders that are not part of a designated class of investors/ lenders (i.e., this limit does not apply to investors/lenders that are part of a designated class). The "designated classes" are defined in subsection 2(1) of O. Reg. 188/08.

When determining whether the limit has been reached, the mortgage brokerage shall not count any investments in or loans in respect of non-qualified syndicated mortgages entered into prior to July 1, 2018.

By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

Application of Form

The mortgage brokerage is required to complete this form for each investor/lender (i.e., individual or entity) with information provided by the investor/lender. All sections of this form (unless otherwise indicated) must be completed for all types of investors/lenders.

The investor/lender must sign this form to confirm its accuracy and completeness and his/her eligibility to participate in the non-qualified syndicated mortgage.

The mortgage brokerage (i.e., mortgage broker on behalf of the mortgage brokerage) must ensure that the investor/lender signs this form to confirm that it is accurate pursuant to Section 24.1 (1) (b) of O. Reg. 188/08.

The mortgage broker must also sign this form.

This form must be up-to-date prior to each investment/loan in a non-qualified syndicated mortgage (i.e., to inform the suitability assessment that must be conducted by the mortgage brokerage for each proposed non-qualified syndicated mortgage investment).

Record-keeping

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to clause 24.1(1) (c) of O. Reg. 188/08, and retain a copy of it and all documents relating to it for the mortgage brokerage's records in accordance with clause 46(1)4 and section 48 of O. Reg. 188/08.

Disclaimer

This investor/lender information form was prepared by the mortgage brokerage with information provided by the investor/lender and has not been filed with the Financial Services Commission of Ontario (FSCO) or other government authority and neither FSCO nor another government authority has reviewed or approved the completed investor/lender information form.

Section 1 – Investor/Lender Information

Part A – Type of Investor/Lender

An investor/lender may be an individual or an entity. The mortgage brokerage needs to determine the type of investor/lender that is making the non-qualified syndicated mortgage investment/loan based on the categories in Question 1.

1. Type of investor/lender (select one):

- ☐ An **Individual**
- ☐ A **Personal Investment Entity** – The investor/lender is a corporation, partnership or trust, whose primary purpose is to hold investments for the individual investor/lender and/or his or her close family relations and does not have a separate commercial function apart from holding investments on behalf of the investor/lender and/or his or her close family relations.
- ☐ A **Corporation/Partnership/Trust** – The investor/lender is a corporation, partnership or trust that is not a personal investment entity and it has a separate commercial function.
- ☐ **Other** (specify) _____

2. If the investor/lender is a personal investment entity, describe the investor/lender's rationale for making the non-qualified syndicated mortgage investment/loan through the personal investment entity.

3. Describe the investor/lender's relationship with the mortgage brokerage, if any.

All Sections of this form (unless otherwise indicated) apply and must be completed for all types of investors/lenders.

- For an investor/lender who is an **Individual**, the responses to questions in all sections of this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the Individual investor/lender.
- For an investor/lender that is a **Personal Investment Entity**, the responses in this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the Individual investor/lender, and if applicable, his or her close family relations (i.e., the shareholders or beneficiaries of the personal investment entity).
- For an investor/lender that is a **Corporation, Partnership or Trust** that is not a personal investment entity and has a separate commercial function, the responses in this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the corporation, partnership or trust (i.e., responses must be from the perspective of the entity). The mortgage brokerage should attach a detailed written explanation, as required, to clarify the responses in this form.

Part B – Personal Information

For Individual Investor/Lender (and each shareholder or beneficiary of a Personal Investment Entity, if applicable)
Attach additional pages as required.

1. Investor/Lender contact Information:

Full Legal Name		Date of Birth (yyyy-mm-dd)	
Street address	City	Province	Postal Code
Telephone number	Email address		

2. Family Information:

(a) Current marital status (select one):

- ☐ Single
☐ Married
☐ Common-law Partner
☐ Divorced
☐ Widowed

(b) Name of Spouse or Common-law Partner, if applicable

Full Legal Name

(c) Number of dependants (if applicable) _____

3. Will the annual income before taxes, net financial assets and net assets of your spouse or common-law partner be included in the amounts stated in this form?

- ☐ Yes, State amount : _____
- ☐ No

4. The mortgage brokerage has established the identity of the investor/lender by examining the following documents (list all documents reviewed):

--

Part C – Information for Entity Investor/Lender (including a Personal Investment Entity)

1. Entity Contact information:

Entity name				
Street address		City	Province	Postal Code
Telephone number	Email address		Website address	
Jurisdiction of Incorporation or Organization (if applicable)		Date of Incorporation or Organization (if applicable) (yyyy-mm-dd)		
Nature of Business (if other than a Personal Investment Entity)				

2. Shareholders/Directors/Officers/Partners/Trustees

(a) If the investor/lender is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for 3. (a) (1).

(b) If the investor/lender is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust. Attach additional pages as required.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. The mortgage brokerage has established the identity of the corporation, partnership or trust that is the investor/lender by examining the following documents:

--

4. Representative/Signatory

Individual authorized to provide instructions regarding investment/loan in non-qualified syndicated mortgage (i.e., signatory).

Representative/Signatory name		Title		
Street address		City	Province	Postal Code
Telephone number	Email address			

Section 2 – Financial Information and Eligibility

In this section, information concerning an investor/lender (and his/her spouse) or a shareholder or beneficiary of a Personal Investment Entity (and his/her spouse) should be captured below. If there are any additional shareholders or beneficiaries for a Personal Investment Entity then the information below is required for those additional shareholders or beneficiaries. Attach additional pages as required.

Part A – Employment Information

1. Describe the employment status of the investor/lender and his/her spouse or common-law partner, if applicable.

	Investor/Lender	Spouse or Common-law Partner (if applicable)
(a) Employed (Yes/No)		
(b) Self-employed (Yes/No)		
(c) Occupation		
(d) Employer Name		
(e) Length of Employment (years)		
(f) Length of Self-employment (years)		
(g) Retired (Yes/No)		
(h) Other (e.g., student, seeking employment) Specify:		

Part B- Financial Information

1. Describe the annual net income before taxes of the investor/lender (and his/her spouse or common-law partner, if applicable).

	Investor/Lender	Spouse or Common-law Partner (if applicable)
(a) Annual net income before taxes for the previous calendar year from all sources (e.g., employment, self-employment, investments, social security, alimony and pension income)	<input type="radio"/> Less than \$25,000 <input type="radio"/> \$25,000 - \$50,000 <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$200,000 <input type="radio"/> \$200,001 - \$300,000 <input type="radio"/> Over \$300,000	<input type="radio"/> Less than \$25,000 <input type="radio"/> \$25,000 - \$50,000 <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$200,000 <input type="radio"/> \$200,001 - \$300,000 <input type="radio"/> Over \$300,000

	Investor/Lender	Spouse or Common-law Partner (if applicable)
(b) Self-employment income as a percentage of total annual net income before taxes		
(c) Annual net income is	<input type="radio"/> Stable <input type="radio"/> Variable	<input type="radio"/> Stable <input type="radio"/> Variable
(d) Explain answer to (c) regarding variability of Annual net income		

2. Assets and Liabilities of investor/lender (and his/her spouse or common-law partner, if applicable).

(a) **Fair market value of total net liquid assets** (e.g., cash savings, short-term deposits/GICs, liquid investments such as securities in public companies and any property that can be readily converted to cash less any related liabilities) owned or held by the prospective investor/lender and, if applicable, his/her spouse or common law partner.

Investor/Lender	Spouse/Common-law partner (if applicable)
<input type="radio"/> Less than \$50,000	<input type="radio"/> Less than \$50,000
<input type="radio"/> \$50,000-\$200,000	<input type="radio"/> \$50,000-\$200,000
<input type="radio"/> \$200,001-\$500,000	<input type="radio"/> \$200,001-\$500,000
<input type="radio"/> \$500,001-\$1,000,000	<input type="radio"/> \$500,001-\$1,000,000
<input type="radio"/> Over \$1,000,000	<input type="radio"/> Over \$1,000,000

(b) **Fair market value of total net assets** (e.g. investments, home, investment properties, vacation properties, vehicles, business interests and liquid assets less any related liabilities) owned or held by the prospective investor/lender, and, if applicable, his/her spouse or common law partner.

Investor/Lender	Spouse/Common-law partner (if applicable)
<input type="radio"/> Less than \$100,000	<input type="radio"/> Less than \$100,000
<input type="radio"/> \$100,000 - \$500,000	<input type="radio"/> \$100,000 - \$500,000
<input type="radio"/> \$500,001 - \$1,000,000	<input type="radio"/> \$500,001 - \$1,000,000
<input type="radio"/> \$1,000,001-\$5,000,000	<input type="radio"/> \$1,000,001-\$5,000,000
<input type="radio"/> Over \$5,000,000	<input type="radio"/> Over \$5,000,000
Does this include the fair market value of the primary home of the investor/lender?	Does this include the fair market value of the primary home of the investor/lender?
<input type="radio"/> Yes	<input type="radio"/> Yes
<input type="radio"/> No	<input type="radio"/> No

(c) **Total liabilities** (e.g., personal loans, car loans, mortgages, lines of credit, credit card debt and leases):

Investor/Lender	Spouse/Common-law partner (if applicable)
<input type="radio"/> Less than \$50,000	<input type="radio"/> Less than \$50,000
<input type="radio"/> \$50,000-\$200,000	<input type="radio"/> \$50,000-\$200,000
<input type="radio"/> \$200,001-\$500,000	<input type="radio"/> \$200,001-\$500,000
<input type="radio"/> \$500,001-\$1,000,000	<input type="radio"/> \$500,001-\$1,000,000
<input type="radio"/> Over \$1,000,000	<input type="radio"/> Over \$1,000,000

3. Describe the current Total Investment Portfolio of the investor/lender (and his/her spouse or common-law partner, if applicable) by asset class and risk profile of each asset class.

Investment Portfolio Financial Assets	Investor/Lender \$ Value	Spouse/Common-law partner (if applicable) \$ Value	Risk Profile (low/medium/high)
Cash			
Investments (excluding non-qualified syndicated mortgage investments/loans – e.g., stocks, bonds, mutual funds, exchange traded funds, guaranteed investment certificates, etc.)			
Non-qualified syndicated mortgage investments/loans			
Cash value – Life Insurance			
Business interests (e.g., share in private company/partnership)			
Specify any other Financial Assets			

Investment Portfolio Real Assets	Investor/Lender \$ Value	Spouse/Common law partner (if applicable) \$ Value	Risk Profile (low/medium/high)
Real estate – primary home			
Real estate (excluding primary home - e.g. vacation and investment properties, vacant land)			
Specify any other Real Assets			

	Investor/Lender \$ Value	Spouse/Common law partner (if applicable) \$ Value	Risk Profile (low/medium/high)
Total Investment Portfolio			

4. Concentration: The current proposed investment/loan in the non-qualified syndicated mortgage would represent the following percentage of the aggregate net financial assets of the investor/lender (and his/her spouse or common-law partner, if applicable):

Part C – Eligibility

1. What is the aggregate amount currently invested/loaned by the investor/lender in one or more non-qualified syndicated mortgages over the past 12 months including this proposed investment but excluding any syndicated mortgage investment made before July 1, 2018?

2. Is the investor/lender a member of one of the “designated classes” of investors/lenders? The designated classes are described in subsection 2(1) of O. Reg. 188/08.

☐ Yes, State class : _____

☐ No

If No, such that ss.24.2(2) of O. Reg. 188/08 is not engaged, and the aggregate amount invested/loaned by the investor/lender in one or more non-qualified syndicated mortgages over the past 12 months (including this proposed investment) exceeds \$60,000, the investor/lender is not eligible to invest/lend further in a non-qualified syndicated mortgage at this time pursuant to subsection 24.2(1) of O. Reg. 188/08.

3. The following documents have been reviewed by the mortgage brokerage (i.e., mortgage broker) in completing Section 2 Parts A, B, and C (i.e., employment, financial and eligibility information).

Part D – Source of Funds for Investment/Loan

1. How will the investor/lender fund the investment or loan in the non-qualified syndicated mortgage and what proportion of the total investment in the non-qualified syndicated mortgage will each source of funds represent?

Source of Funds	Percentage of Proposed Investment/Loan in the Non-qualified Syndicated Mortgage
Loan(s) Prospective investor/lender borrowed or plans to borrow money to invest/loan in the non-qualified syndicated mortgage.	
Registered funds (if applicable) Prospective investor/lender utilized or plans to utilize money from a registered account(s) to invest/loan in the non-qualified syndicated mortgage. Registered accounts include registered retirement saving plans (RRSPs), registered pension plans (RPPs), registered education saving plans (RESPs) and other accounts that are registered for income tax purposes.	
Savings	
Specify any Other sources of funds	

Section 3 – Investment Profile

In this section, information concerning an investor/lender (and his/her spouse) or a shareholder or beneficiary of a Personal Investment Entity (and his/her spouse) should be captured below. If there are any additional shareholders or beneficiaries for a Personal Investment Entity then the information below is required for those additional shareholders or beneficiaries. Attach additional pages as required.

Part A- Investment Needs and Objectives

1. What are the overall results (i.e., needs and objectives) the investor/lender wants to achieve from investing?

- ☐ Preservation of capital The investor/lender wants to keep the money invested safe from short-term losses and readily available for short-term needs.
- ☐ Income The investor/lender wants to generate a steady stream of income from investments and is not as concerned about growing the value of the investment.
- ☐ Income and Growth The investor/lender wants to generate some income with opportunity for the investment to grow in value.
- ☐ Speculation The investor/lender is willing to accept high risk/loss of capital for the opportunity to achieve high/maximum investment returns.

2. Describe any specific needs and objectives the investor/lender may have (e.g., saving for retirement, children's education and/or medical expenses, paying off mortgage) to which the non-qualifying syndicated mortgage investment will contribute.

3. The risk tolerance of the investor/lender in relation to a non-qualified syndicated mortgage investment/loan is:

- ☐ Very Low The investor/lender wants to preserve his/her principal investment or loan amount, with no or very minimal risk.
- ☐ Low The investor/lender is willing to accept low risk to his/her principal investment or loan amount.
- ☐ Average The investor/lender is willing to accept some risk to his/her principal investment or loan amount but could only tolerate the loss of a small fraction of the money invested or loaned.
- ☐ High The investor/lender is willing to accept high risk to his/her principal investment or loan amount and understands that he/she could lose a substantial or all of the amount of the money invested or loaned.
- ☐ Very High The investor /lender is willing to accept maximum risk to his/her principal investment or loan amount and understands that he/she could lose all of the amount invested or loaned.

4. Describe the willingness of the investor/lender to risk shorter-term losses for the possibility of higher returns over the longer term:

- ☐ Very willing
- ☐ Willing
- ☐ Somewhat Willing
- ☐ Unwilling

5. The financial knowledge and investment experience of the investor/lender in relation to an investment/loan in a non-qualified syndicated mortgage is:

- ☐ Very Low The investor/lender has little or no financial knowledge and is dependent on others to make investment decisions for him/her.
- ☐ Low The investor/lender has some degree of financial knowledge and 1-5 years of experience investing in "standard investment products" such as exchange-traded funds, guaranteed investment certificates (GICs), mutual funds and "blue-chip" stocks.
- ☐ Average The investor/lender has an average degree of financial knowledge and over 5 years of experience investing in standard and "more sophisticated" investment products that could include individual stocks (other than "blue chip" stocks), bonds and annuities.
- ☐ High The investor/lender has a high degree of financial knowledge and over 10 years of experience investing in standard, more sophisticated and "highly sophisticated" investment products that could include options, futures, derivatives, hedge funds and real estate development loans.
- ☐ Very High The investor/lender has a very high degree of financial knowledge and over 20 years of experience in investment products of every type.

6. (a)The period of time from now to when the investor/lender will need access to a significant portion of the funds to be invested/loaned in the proposed non-qualifying syndicated mortgage is:

- ☐ Less than 1 year
- ☐ 1 to 3 years
- ☐ 4 to 5 years
- ☐ 6 to 9 years
- ☐ 10 and over years

(b) How does this timeframe align with the non-qualifying syndicated mortgage investment/loan?

7. List any other facts or factors that could be relevant to the investor/lender's decision to invest in, or lend in respect of, a non-qualified syndicated mortgage. Other facts or factors could include (among many other things) a disabled child or partner, likelihood of job loss, a significant degree of dependence on housing prices, fixed income receipts, sensitivity to interest rates, etc. Attach additional pages as required.

Section 4 - Attestation and Declaration

Attestation by Investor/Lender

I attest to the fact that I have reviewed the information in this form and that it is complete and accurate. I understand that the mortgage brokerage will use this information, in part, to assess whether I or the investor/lender is eligible to participate in a non-qualified syndicated mortgage investment/loan and whether it is "suitable" given my or the investor/lender's financial circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other relevant factors.

Investor/lender Name

Signature of Investor/lender

Date (yyyy-mm-dd)

Entity Name (if applicable)

Entity Representative Name

Entity Representative Signature

Date (yyyy-mm-dd)

Declaration by the Mortgage Brokerage

1. I have completed this form to the best of my knowledge and ability, and I have no reason to suspect that the information contained herein is false, misleading or inaccurate in any way.
2. I have discussed the contents of this form with the prospective investor/lender, and the investor/lender has signed the form, attesting to its accuracy and completeness.
3. I have personally examined the documents cited in this form.
4. I have established the identity and eligibility of the lender/investor and taken reasonable steps to ensure that I have obtained sufficient and accurate information about the investor/lender's financial circumstances, investment needs and objectives, risk tolerance, financial knowledge and investment experience and any other relevant information in accordance with clause 24.1(1)(a) and (b) of O. Reg. 188/08.
5. I have provided a copy of this form to the investor/lender in accordance with clause 24.1(1)(c) of O. Reg. 188/08, and retained copies of this form, and all documents reviewed in the completion of this form, in compliance with clause 46(1)4 and section 48 of the O. Reg. 188/08.

Print name of Mortgage Broker

Licence number of Mortgage Broker

Signature of Mortgage Broker

Date (yyyy-mm-dd)

Mortgage Brokerage Name

Licence number of Mortgage Brokerage



Important Information About This Form

Purpose of Form

This form assists the mortgage brokerage to assess whether an investment/loan in a non-qualified syndicated mortgage is “suitable” for the investor/lender. The mortgage brokerage is required to conduct and document its suitability assessment pursuant to sections 24 and 24.1 of Ontario Regulation 188/08: Mortgage Brokerages Standards of Practice (O. Reg. 188/08) under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA). Specifically, section 24.1(1)(d) of O. Reg. 188/08 requires the mortgage brokerage prepare a written suitability assessment using the form approved by the Superintendent and provide a copy of the form to the investor/lender. This Form 3.1- Suitability Assessment for Investor/Lender in a Non-qualified Syndicated Mortgage is the form approved by the Superintendent under section 24.1(1)(d).

Completing a suitability assessment requires the mortgage brokerage to analyze whether the features and risks of a non-qualified syndicated mortgage investment/loan (as outlined in Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage) align with the financial circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and other relevant factors relating to the circumstances of the investor/lender (as outlined in Form 3.0 – Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage).

The suitability assessment requires that the mortgage brokerage determine if the non-qualified syndicated mortgage investment/loan “matches” the investor/lender’s needs and circumstances. It requires a mortgage brokerage to “know its product” and “know its client” prior to making a determination of suitability. The mortgage brokerage must document its determination, including the basis for it, in this form.

Note: FSCO expects mortgage brokerages to take special care in complying with their suitability obligations when dealing with investors/lenders who are seniors, retirees, individuals living on a fixed income, or individuals who otherwise may be in a position of vulnerability. Non-qualified syndicated mortgage investments/loans may rarely be appropriate for such individuals and a loss from a mortgage brokerage’s failure to comply with the suitability obligation may have particularly devastating consequences for these individuals.

Application of Form

The mortgage brokerage must complete this form for each investor/lender (individual or entity), every time it presents a non-qualified syndicated mortgage investment/loan to an investor/lender, whether or not the investor/lender is a member of a “designated class” of investors/lenders. The designated classes are defined in subsection 2(1) of O. Reg. 188/08.

This form must be completed after the mortgage brokerage has completed Form 3.0 – Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage and Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage.

For an investor/lender who is an **Individual**, the responses to questions in all sections of this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the Individual investor/lender.

For an investor/lender that is a **Personal Investment Entity**, the responses in this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the Individual investor/lender, and if applicable, his or her close family relations (i.e., the shareholders or beneficiaries of the personal investment entity). A personal investment entity is a corporation, partnership or trust, whose primary purpose is to hold investments for the individual investor/lender and/or his or her close family relations and does not have a separate commercial function apart from holding investments on behalf of the investor/lender and/or his or her close family relations.

For an investor/lender that is a **Corporation, Partnership or Trust** that is not a personal investment entity, the responses in this form should reflect the circumstances, investment needs and objectives, risk tolerance, financial knowledge, investment experience and any other factors relevant to the corporation, partnership or trust (i.e., responses must be from the perspective of the entity).

This form must be signed by a mortgage broker.

While the obligation to ensure suitability in Section 24 of in O. Reg. 188/08 is imposed on the mortgage brokerage, it is the mortgage brokerage's authorized representatives that may carry out these duties. Pursuant to Section 3 of O. Reg. 187/08: Mortgage Brokers and Agents Standards of Practice, a mortgage broker or agent shall not do or omit to do anything that might reasonably be expected to result in the mortgage brokerage on whose behalf he or she is authorized to deal or trade in mortgages to contravene or fail to comply with a requirement established under the MBLAA.

While the broker may be primarily responsible for performing the functions necessary to determine suitability, the mortgage brokerage remains legally responsible for ensuring the suitability requirement is met. The brokerage should have appropriate processes and controls in place to ensure that brokers are adequately supervised and that the obligation to ensure suitability is met. Such controls should include detailed policies and procedures related to the suitability process and monitoring and review procedures to ensure individuals brokers are in compliance.

Investment Limit

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to \$60,000 in any 12-month period for investors/lenders that are not part of a designated class of investors/lenders (i.e., this limit does not apply to investors/lenders that are part of a designated class).

When determining whether the limit has been reached, the mortgage brokerage shall not count any investments entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell a proposed non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

Record-keeping

The mortgage brokerage must provide the investor/lender with a copy of this completed form pursuant to clause 24.1(1) (d) of O. Reg. 188/08, and retain a copy of it and all documents relating to it for the mortgage brokerage's records in accordance with clause 46(1)4 and section 48 of O. Reg. 188/08. Furthermore, mortgage brokerages are required by clauses 40(3) 3 and 10 of O. Reg. 188/08 to establish and implement policies and procedures in respect of the determination of the suitability of, and the investor/lender's eligibility to invest in, or make a loan in respect of, a non-qualified syndicated mortgage.

Disclaimer

This suitability assessment was prepared by the mortgage brokerage and has not been filed with the Financial Services Commission of Ontario (FSCO) or other government authority and neither FSCO nor another government authority has reviewed or approved the completed suitability assessment.

Section 1 - Attestation and Declaration

Declaration by the Mortgage Brokerage

1. I completed this Form 3.1 - Suitability Assessment for Investor/Lender in a Non-qualified Syndicated Mortgage to the best of my knowledge and ability, and have no reason to suspect that the information provided herein is false, misleading or inaccurate in any way.
2. I reviewed the information in Form 3.0- Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage, as per clause 24(3) of O. Reg. 188/08, and Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage and any other relevant factors to determine whether an investment/loan in the non-qualified syndicated mortgage is suitable for the investor/lender.
3. In accordance with ss. 24.1(1)(d), 46(1)4 and 48 of O.Reg. 188/08, I prepared this form, provided a copy of the form to the lender/investor, and am retaining a copy of this form and all documents reviewed in the completion of this form.

Print name of Mortgage Broker

Licence number of Mortgage Broker

Signature of Mortgage Broker

Date (yyyy-mm-dd)

Mortgage Brokerage Name

Licence number of Mortgage Brokerage

Acknowledgement by Investor/Lender

I acknowledge that my mortgage broker, on behalf the mortgage brokerage, has discussed the contents of this form with me and that I understand with the mortgage brokerage's suitability assessment and the rationale for it.

Investor/lender Name

Signature of Investor/lender

Date (yyyy-mm-dd)

Section 2 – Investor/Lender Information Review

1. Name of prospective investor/lender:

2. Date of completed Form 3.0 – Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage for the investor/lender named in Question 1:

yyyy-mm-dd

3. Have you (i.e. mortgage broker, on behalf of the mortgage brokerage) reviewed the completed Form 3.0 – Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage with the prospective investor/lender?

☐ Yes

☐ No If No, review the Form 3.0 with the investor/lender before completing this suitability assessment.

4. Based on your review of the Form 3.0 – Investor/Lender Information for Investor/Lender in a Non-qualified Syndicated Mortgage with the investor/lender, and to the best of your knowledge, have there been any material changes in the circumstances, including but not limited to the financial circumstances, investment needs and objectives, risk tolerance, financial knowledge and investment experience of the investor/lender since the completion of Form 3.0?

☐ Yes

☐ No

If Yes, update Form 3.0 for the investor/lender before completing this Form 3.1–Suitability Assessment for Investor/Lender in a Non-qualified Syndicated Mortgage.

5. At a minimum, have you analyzed the following information about the investor/lender? Check all the factors that you have discussed with the investor/lender and provide an explanation for those factors not discussed.

**(a) Personal Information
(applicable for individual investor/lender)**

☐ Identity

☐ Age

☐ Marital status

☐ Number of dependents

☐ Occupation

notes:

(b) Entity Information
(applicable for corporation, partnership or trust)

- ☐ Identity
- ☐ Legal status of entity (i.e., structure)
- ☐ Date of formation
- ☐ Shareholders, directors, officers, partners, trustees and/or beneficial owners
- ☐ Nature of business

notes:

(c) Financial Circumstances

- ☐ Annual net income before taxes for the past two years
- ☐ Stability of annual net income before taxes
- ☐ Total net liquid assets
- ☐ Total net financial assets
- ☐ Total net assets
- ☐ Source of funds for the proposed investment/loan (e.g., savings, loan, registered funds, if applicable)
- ☐ Investment portfolio (i.e., dollar value and risk profile by asset class)
- ☐ Proposed investment/loan in a non-qualified syndicated mortgage as a share of total net financial assets
- ☐ Aggregate investments/loans in non-qualified syndicated mortgages as a share of net financial assets
- ☐ The degree of dependence of the investor/lender on any future income streams associated with the investment/loan in the non-qualified syndicated mortgage(e.g., interest payments)
- ☐ Dollar value of total investments/loans in non-qualified syndicated mortgages over the past 12-months

notes:

(d) Overall Investment Needs and Objectives

(i.e., relating to the investor/lender's overall investment portfolio, not simply the current proposed investment)

- ☐ The overall results the investor/lender wishes to achieve from investing (e.g., preserve capital, generate income, generate income and growth, generate maximum investment return regardless of higher risk)
- ☐ Are there specific goals the investor/lender may have such as saving for retirement, funding children's education from investing in non-qualified syndicated mortgage investments/loans?

notes:

(e) Risk Tolerance

- ☐ The overall ability of the investor/lender to accept risk of financial loss
- ☐ The overall willingness of the investor to accept risk of financial loss
- ☐ The ability of the investor/lender to comfortably withstand a delay in the return of the principal/capital invested in the non-qualified syndicated mortgage given his/her current financial circumstances (i.e., tolerance for delay)

notes:

(f) Financial Knowledge and Investment Experience

- ☐ The level of financial knowledge
- ☐ Investment experience of the investor/lender
- ☐ The investor/lender's level of understanding of the risks involved in a non-qualified syndicated mortgage generally, and the specific risks associated with the non-qualified syndicated mortgage proposed by the mortgage brokerage
- ☐ The composition and degree of risk in the investment portfolio of the investor/lender (before and after the investment/loan in the non-qualified syndicated mortgage).

notes:

(g) Any other factors relevant to the suitability assessment for the investor/lender

☐ Other facts or factors could include (among many other things) a disabled child or partner, likelihood of job loss, a significant degree of dependence on housing prices or fixed income receipts, etc.

☐ Relationship with the mortgage brokerage, if any

notes:

Section 3 – Non-Qualified Syndicated Mortgage Investment/Loan Review

To ensure the suitability of the proposed non-qualified syndicated mortgage investment/loan for the investor/lender, you (i.e., the mortgage broker, on behalf of the mortgage brokerage) must fully understand the features and risk factors of the proposed investment/loan described in Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage.

1. At a minimum, have you discussed the following with the investor/lender? Check all information that you discussed with the investor/lender and provide an explanation for information not discussed.

This is not an exhaustive list. If there are any other factors that could be relevant to the investor/lender in relation to a non-qualified syndicated mortgage investment/loan, the mortgage brokerage must also consider those factors in determining if the proposed investment/loan is suitable for the investor/lender.

(a) About the Project, Developer and Property

- ☐ What is the project being funded by the non-qualified syndicated mortgage (e.g., construction of a condominium building in City, Province)?
- ☐ At what stage of completion is the project?
- ☐ What is the experience (successes and failures) of the developer with similar projects?
- ☐ What is the intended use of the funds (e.g., to fund project soft costs or construction)?
- ☐ What is the purchase price of the property securing the non-qualified syndicated mortgage?
- ☐ Does the property have existing buildings on it or is it vacant land?
- ☐ Is the property residential, commercial, industrial or agricultural?
- ☐ How does the purchase price compare to the 'as is' value of the property in the appraisal report?
- ☐ What is the effective date of the appraisal report?
- ☐ What is the zoning status of the project?

notes:

(b) About the Non-qualified Syndicated Mortgage

- ☐ Who is the borrower?
- ☐ Is the borrower also the developer?
- ☐ What is the nature of the proposed investment (e.g., participation in mortgage, trade of a participation in a mortgage, other)?
- ☐ Is this a new or existing mortgage?
- ☐ What is the investor's interest rate?
- ☐ What fees are payable by the investor/lender?
- ☐ Are there any fees payable by the borrower? If so, to whom are they payable?
- ☐ Who is the administrator for the mortgage?
- ☐ What are the mortgage terms (e.g., face value of the non-qualified syndicated mortgage, investor/lender amount of investment, loan-to-value ratio, investor/lender interest rate, mortgage term, amortization, payment frequency, maturity date, balance on maturity, mortgage payments to lender)?

notes:

**(c) About the Nature of the Relationships between Parties to the Transaction
(i.e., actual/potential conflicts of interest)**

- ☐ Does the mortgage brokerage, its mortgage brokers or agents, its officers, directors, partners, employees or shareholders ("the mortgage brokerage or its related parties") have or expect to have a direct or indirect interest in the property identified in Form 3.2 – Investor/Lender Disclosure Statement?
- ☐ Is the mortgage brokerage or any of its related parties related to the borrower, mortgage administrator, developer, appraiser/appraisal company or any of the other
- ☐ Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?
- ☐ Has, or will, the mortgage brokerage or any of its related parties provide any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person?
- ☐ Are there other relationships that may pose actual/potential conflicts of interest, in particular with the interests of the investor/lender?
- ☐ What strategies are in place to manage any actual/potential conflicts of interest?

notes:

(d) Specific Risks related to the proposed non-qualified syndicated mortgage investment/loan

☐ Have you discussed the general risks associated with non-qualified syndicated mortgages? (see Table 1)

☐ What, if any, are the specific risks associated with the proposed syndicated mortgage investment/loan?
notes:

**Table 1 - General Risks for Non - Qualified Syndicated Mortgages
(Non - exhaustive list)**

Borrower Risk	Payments to an investor/lender rely on the ability of the borrower to make payments required under the terms of the mortgage investment/loan. The mortgage administrator, if applicable, cannot make payments to an investor/lender if the borrower defaults.
Concentration Risk	The extent to which any asset class forms a disproportionate part of the overall investors/ lenders investment portfolio.
Conflicts of Interest Risk	There are generally many parties involved in a mortgage syndicate (e.g., one or more mortgage brokerages and their brokers and agents, the borrower, developer, mortgage administrator, and investors/lenders). It is important to understand relationships that may exist between parties so that potential conflicts of interest may be managed.
Financing Risk	The successful completion of the project being funded by the non-qualified syndicated mortgage likely depends upon the capacity of the developer to raise further funds to finance construction and other costs. An inability to raise further funds could jeopardize completion of the project.
Government Approval Risk	A delay or inability to obtain municipal and/or provincial governments (i.e., zoning, environmental assessments) approvals for development could result in project delays/ modifications that negatively impact investment returns (i.e., delay repayment of principal or loss of some or all of principal invested).
Interest Rate Risk	Increases in interest rates raise the cost of funds, exerting upward pressure on a borrower's debt service obligations.
Liquidity Risk	The investor/lender may not be able to liquidate his/her investment/loan, or a portion of it, on a timely basis. If he/she wants to withdraw his/her money before the end of the term of the investment/loan, there is no assurance that there will be a market for the resale or transfer of his/her investment/loan. A non-qualified syndicated mortgage investment/loan should only be considered by investors/lenders who are able to bear the economic risks of a long-term investment and who do not require the investment to be immediately liquid upon demand.
Loan-to-Value Ratio Risk	A higher loan-to-value ratio (based on the "as is" value of a property) results in increased risk to participating investors/lenders.
Mortgage Enforcement Risk	If the investor/lender is one of several investors/lenders in a non-qualified syndicated mortgage, the investor/lender will likely not be able to enforce repayment of the investment on his/her own if the borrower defaults.

**Table 1 - General Risks for Non - Qualified Syndicated Mortgages
(Non - exhaustive list)**

Mortgage Rank / Priority Order Risk	Many non-qualified syndicated mortgages provide that they may be subordinated to subsequent construction and other loans. As a result, the non-qualified syndicated mortgage may be moved to 2nd priority or lower without the consent of the investor/lender, increasing the risk that the non-qualified syndicated mortgage will be inadequately secured,
No Investment Guarantee	This mortgage investment is not insured by the government of Ontario or any other investor protection fund. This mortgage investment cannot be guaranteed by the mortgage brokerage. If the investor/lender is not prepared to accept the risk of loss, he/she should not consider non-qualifying syndicated mortgage investments/loans.
Personal Covenant Risk	If the mortgage includes a personal covenant or other financial commitment, the ability of the person providing the personal covenant or other financial commitment to perform under a personal covenant will depend on the financial capacity of the person. There is no assurance that a person will have the financial ability to be able to satisfy their obligations under the personal covenant or other financial commitment and therefore you may not receive any return from his/her investment, including any initial amounts invested.
Project Completion Risk	The successful completion of the project likely depends upon the capacity of the developer to raise further funds to finance construction and other costs. This creates risk for investors because, in many cases, investors will not be paid out until the project is successfully completed.
Real Estate Value Risk	<p>Real estate market values are subject to local, regional and national economic conditions. Changes in factors affecting the demand and supply of property (e.g., interest rates) can have significant positive or negative impacts on the value of a property, particularly for commercial real estate. It is possible for the value of a property to decline, reducing the value of the security underlying the loan and raising the loan-to-value (LTV) ratio.</p> <p>Investors/lenders should consider inspecting the property or project as identified in Section 3 Part A of this disclosure statement.</p> <p>The property value may decrease over time, including the period between the date of the most recent appraisal and the date the transaction is completed. A decline in property value may also affect the return on and/or value of the investment in the event of a default in payments under this mortgage.</p>
Revenue or Cashflow Risk	Certain development projects have no or limited revenue streams until they are completed. In order to move forward with the project development, borrowers/developers use capital acquired from a variety of different sources that may be subject to upfront costs such as interest, brokerage fees, etc. These costs may affect the borrower's/developer's ability to advance the project. Additionally, at times this source of capital may be so expensive or unavailable causing significant delays or costs that may affect the borrower's/developer's ability to advance the project.
Registered Funds Tax Risk	Whether or not this investment is eligible to be held in a registered account depends upon whether the non-qualified syndicated mortgage is duly secured.
Sales Risk	The developer's or a marketing company's efforts, ability and experience to successfully promote the underlying construction project to other investors and/or to sell the completed project to a buyer(s).
Syndicate Complexity Risk	Mortgage investment/lending through a syndicate generally carries a higher degree of risk given the many connected factors that affect the success of the underlying development project and investment return (e.g., developer experience, real estate values, interest rates and mortgage terms).

**Table 1 - General Risks for Non - Qualified Syndicated Mortgages
(Non - exhaustive list)**

Term risk	If the contract provides for an extension, the investor/lender may not be able to opt out of or object to any extension of a mortgage term. The investor/lender needs to review terms relating to the extension of mortgages carefully.
Notes:	

Section 4 – Suitability Assessment

1. Analyze whether the proposed non-qualified syndicated mortgage investment/loan is suitable for the investor/lender based on the following investor/lender factors:

(a) Financial circumstances

(E.g., Are the net income before taxes, net liquid assets and net assets of the investor/lender such that the investor/lender could afford to lose all or part of the proposed investment without negatively affecting his/her standard of living? How dependent is the investor/lender on any future income stream and/or investment returns associated with the non-qualified syndicated mortgage investment/loan? Does the proposed non-qualified syndicated mortgage investment/loan represent a large proportion of the net worth of the investor/lender such that it raises concerns regarding a lack of investment portfolio diversification/concentration risk?)

(b) Overall investment needs and objectives

(E.g., How does the proposed investment help the investor/lender achieve his/her overall goal for his/her investment portfolio to preserve capital/generate a steady income stream/grow the initial investment, as the case may be? Does the investor/lender have specific goals such as saving for retirement or children's education that may be jeopardized if all or part of his/her investment in the proposed non-qualified syndicated mortgage were lost? Does the proposed investment produce an investment return or return of principal within the investors/lender's stated time horizon or the time horizon associated with the lender/investor's stated investment objective?)

(c) Risk tolerance

(E.g., Do the mortgage term, payment schedule, rank of mortgage, and investor rights align with the ability and willingness of the investor to accept risk of loss and/or delay in receiving payments or return of capital? Is the developer an experienced developer with a good record of successes with similar projects? Is the creditworthiness of the borrower strong? Which material risks associated with non-qualified syndicated mortgages in general and/or specifically related to the proposed investment/loan is the investor/lender most and least comfortable with? Is the risk of the proposed investment appropriate given the investor/lender's investment time horizon?)

(d) The composition and risk profile of the investor/lender's existing portfolio

(E.g., What is the breakdown of the investor/lender's investment portfolio by asset class? Is the portfolio more heavily weighted towards lower risk products such as GICs and government bonds or does it include generally higher risk products such as hedge funds, derivatives and non-qualified syndicated mortgages/loans? How would the addition of the proposed non-qualified syndicated mortgage investment/loan impact the overall risk profile of the investment portfolio of the investor/lender?)

(e) Financial knowledge and investment experience

(E.g., Has the investor/lender been investing in a variety of investment products for more than five years or is he/she just learning about investing and the relationship between risk and return? Does the investor/lender make his/her decisions about investments or does he/she rely on an investment advisor to provide guidance? What is the composition of the investor/lender's investment portfolio?)

2. List any other facts or factors that have contributed to your assessment of the suitability of the proposed investment/loan in the non-qualified syndicated mortgage for the prospective investor/lender:

3. List any factors/relationships between parties to the non-qualified syndicated mortgage that a reasonable person could perceive to be actual or potential conflicts of interest, and the strategies in place to manage such conflicts.

4. Based on your (i.e., mortgage broker, on behalf of the mortgage brokerage) review of all of the foregoing information, have you determined that the investment/loan in the non-qualified syndicated mortgage you are proposing to the investor/lender is suitable for the investor/lender? (Yes/No)

Provide a summary of the rationale for your recommendation.

If No, you cannot proceed with this transaction for the investor/lender pursuant to Section 24(3) of O. Reg. 188/08.

Mortgage Broker initials:

Date:



Form 3.2- Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage

Mortgage Brokerages, Lenders and Administrators Act, 2006

Transaction Number:

Important Information About This Form

Name of Mortgage Brokerage		Mortgage Brokerage Licence number	
Address	City	Province	Postal Code
Telephone number	Email		
Name of Principal Broker		Principal Broker Licence number	

Purpose of Form

This form provides important information to assist the investor/lender in making a decision about investing or lending under the syndicated mortgage proposed by the mortgage brokerage. This disclosure statement is required under Section 31.1(1) 1 of Ontario Regulation 188/08 Mortgage Brokerages Standards of Practice under the Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA).

The mortgage brokerage is required by law to provide the investor/lender with a completed Form 3.2 -Disclosure Statement for Investors/Lenders in a Non-qualified Syndicated Mortgage at a minimum two business days before the investor/lender commits to invest/lend.

This disclosure statement and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment/loan in a non-qualified syndicated mortgage.

Application of Form

All non-qualified syndicated mortgages - This form applies to all syndicated mortgage transactions that do not meet the definition of a "qualified syndicated mortgage". As defined in s.1 of O. Reg. 188/08, a qualified syndicated mortgage is a syndicated mortgage that meets all of the following criteria:

1. It is negotiated or arranged through a mortgage brokerage.
2. It secures a debt obligation on property that,
 - a. is used primarily for residential purposes,
 - b. includes no more than a total of four units, and
 - c. if used for both commercial and residential purposes, includes no more than one unit that is used for commercial purposes.

3. At the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property.
4. It is limited to one debt obligation whose term is the same as the term of the syndicated mortgage.
5. The rate of interest payable under it is equal to the rate of interest payable under the debt obligation.

A syndicated mortgage that secures a debt obligation incurred for the construction or development of property is not a qualified syndicated mortgage.

All Investors/Lenders - This form must be provided to each investor/lender in a non-qualified syndicated mortgage, whether or not the investor/lender is part of a designated class of investors/lenders. Members of a “designated class” are defined in subsection 2(1) of O. Reg. 188/08.

Waiting Period

To enable the investor/lender to thoroughly review the proposed non-qualified syndicated mortgage and this disclosure statement, and to obtain independent legal advice, the information in this Form 3.2 –Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage, must be disclosed to the investor/lender no later than two business days before the earliest of the following events:

1. When the mortgage brokerage receives money from the investor/lender.
2. When the mortgage brokerage enters into an agreement to receive money from the investor/lender.
3. When the investor/lender enters into a mortgage agreement or an agreement to trade in a mortgage.
4. The money is advanced to the borrower under the mortgage.
5. The trade completion date.

The investor/lender CANNOT waive this two-day waiting period.

Investment Limit

Section 24.2 of O. Reg. 188/08 limits the amount that an investor/lender can invest/lend in a non-qualified syndicated mortgage to \$60,000 in any 12-month period for investors/lenders that are not part of a designated class of investors/lenders (i.e., this limit does not apply to investors/lenders that are part of a designated class). When determining whether the limit has been reached, the mortgage brokerage shall not count any investments/loans in a non-qualified syndicated mortgage entered into prior to July 1, 2018. By law, the mortgage brokerage cannot sell an investment/loan in a non-qualified syndicated mortgage to an investor/lender unless the investor/lender is eligible under these rules. The investor/lender should confirm his/her eligibility with the mortgage brokerage.

Record-keeping

The mortgage brokerage must provide the investor/lender with a copy of this completed form and retain a copy for the mortgage brokerage's records.

Disclaimer

This disclosure statement has not been filed with the Financial Services Commission of Ontario (FSCO) or other government authority and neither FSCO nor another government authority has reviewed or approved the completed disclosure statement.

Section 1 – Caution

All mortgage investments carry risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. The investor/lender should very carefully assess the risk of the mortgage transaction described in this disclosure statement and in the supporting documentation before entering into the transaction.

A syndicated mortgage (defined as a mortgage with more than one investor/lender) may carry additional risks not only relating to the risk of default but also to the risks associated with participating in a syndication and the financing of real estate transactions.

By law, the mortgage brokerage must disclose to the investor/lender, in writing, the material risks of the mortgage investment/loan it presents to an investor/lender.

Investors/lenders are strongly advised to obtain independent legal and financial advice before committing to invest/lend in a non-qualified syndicated mortgage. Inexperienced investors should be cautious when deciding to enter into a non-qualified syndicated mortgage investment/loan.

The general risks related to an investment/loan in non-qualified syndicated mortgages are outlined in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-qualified Syndicated Mortgage that you, the investor/lender, received on:

(yyyy-mm-dd)

Mortgage Broker initials:

Date:

Investor/lender initials:

Date:

Section 2 – Nature of Mortgage Brokerage Relationships

The Mortgage Brokerages, Lenders and Administrators Act, 2006 requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes of this form, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage brokerage and to any mortgage broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (this group of related parties is referred to as the mortgage brokerage and "its related parties" in this form).

1. The mortgage brokerage is acting for:

- ☐ The investor/lender, but not the borrower.
- ☐ The borrower, but not the investor/lender.
- ☐ Both the borrower and the investor/lender.

2. Nature of Relationships

Yes/No

(a) Does the mortgage brokerage or any of its related parties have or expect to have a direct or indirect interest in the property identified in Section 3 Part A of this form?	
(b) Does any person who is a close familial relation to any individual who is a mortgage brokerage related party have or expect to have a direct or indirect interest in the property identified in Section 3 Part A of this form?	
(c) Is the mortgage brokerage or any of its related parties related to any of the investors/lenders in the mortgage?	
(d) Is the mortgage brokerage or any of its related parties related to the borrower?	
(e) Is the mortgage brokerage or any of its related parties related to the individual or firm that appraised the property?	
(f) Is the mortgage brokerage or any of its related parties related to the developer (if the developer is different from the borrower)?	
(g) Is the mortgage brokerage also the mortgage administrator for the non-qualified syndicated investment/loan?	
(h) Is the mortgage brokerage or any of its related parties entitled, directly or indirectly, to a share of the profits earned from the project?	
(i) Has, or will, the mortgage brokerage or any of its related parties provide any goods or services to the borrower or developer whether directly or through an entity owned or controlled by that person or entity?	
(j) Has, or will, the mortgage brokerage or any of its related parties pay any referral fees in connection with securing investments for this property or non-qualified syndicated mortgage?	
(k) Are there any circumstances or factors, in addition to the above, which may create commercial dependencies as between the mortgage brokerage and its related parties and the borrower, developer or any party related to the borrower or developer (e.g., the mortgage brokerage depends upon transactions with the borrower for a material portion of its revenue)?	

If Yes, to any of the responses in Question 2 explain the relationship and the strategies in place to manage the actual/potential conflict of interest:

3. Describe any actual/potential conflicts of interest or relationships in connection with this investment/loan in a non-qualified syndicated mortgage, other than those described in question 2, and the strategies in place to manage the actual/potential conflict of interest.

Mortgage Broker initials:

Date:

Investor/lender initials:

Date:

Section 3 – Property and Mortgage Investment/Loan Details

Part A - Property/Security to Be Mortgaged

1. Legal and Municipal address of the property:

Legal address			
Municipal Address - Street	City	Province	Postal Code

2. Type of Property:

- ☐ Property with existing buildings (for example: Residential, Commercial, Industrial, Agricultural)
- ☐ Vacant land, development or construction project

Provide details of the property/project/proposed use as applicable, including details of existing buildings, number of units, project start and completion dates:

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3. Appraisal of Property:

Note: Under the MBLAA, the estimated market value of the property must reflect its condition and stage of development as of the date of the inspection or within 60 days after that. It cannot depend or rely on assumptions about proposed or future development of, or improvements to, the property or any other conditions not in existence at the date selected for the estimated market value.

(a) Name, professional designation and address of appraiser:

Name		Professional Designation	
Firm Name			
Address - Street	City	Province	Postal Code
Telephone Number	E-mail Address		

- (b) The date the appraiser conducted the inspection of the property (yyyy-mm-dd): _____
- (c) The date of the appraisal report (yyyy-mm-dd): _____
- (d) The estimated market value (i.e., "as is" value) of the property as specified in the appraisal report: _____
- (e) The effective date of the appraisal: _____

4. Property Taxes:

(a) Annual property taxes: _____

Are taxes in arrears?

- ☐ Yes
- ☐ No
- ☐ Investor/Lender's Solicitor to verify taxes prior to closing or ensure coverage under title insurance

If yes, amount of arrears: _____

5. Condominium Fees (If applicable):

(a) Monthly condominium fees: _____

Are fees in arrears?

- ☐ Yes If Yes, amount of arrears: _____
- ☐ No

6. Zoning: Is the zoning on the property appropriate for the proposed use?

- ☐ Yes
- ☐ No

If No, provide details:

Part B - Mortgage Particulars

1. Is the mortgage to fund the purchase of property?

☐ Yes

☐ No

If Yes, describe the current ownership of the property and purchase arrangements:

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If No, set out the purchase price and date of the purchase:

Purchase Price of Property:	Date of Purchase (yyyy-mm-dd):
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2. Will the mortgage proceeds be used to refinance, pay out, redeem or reduce an existing mortgage on this property?

☐ Yes

☐ No

If Yes, explain:

--

3. Nature of investment or loan:

(a) The investor/lender's investment represents:

- ☐ Participation in a mortgage
☐ Trade of a participation in a mortgage
☐ Any other interest or participation in a mortgage

Explain: _____

(b) Percentage of total investor/lender's portion: _____

(c) Number of other parties that have an interest in this mortgage: _____

(d) In what name(s) will the mortgage be registered?

(e) If the mortgage is not registered in the investor/lender's name, the mortgage brokerage must provide an explanation:

4. Existing or new mortgage: The investor/lender's investment is to:

- ☐ Purchase a portion of an existing registered mortgage
☐ Fund a portion of a new mortgage that has not yet been registered

5. If this investment is a purchase of an existing mortgage or a portion of an existing mortgage, is the mortgage now in default?

- ☐ Yes
☐ No

Has it been in default in the last twelve months?

- ☐ Yes
☐ No

If Yes to either, explain:

6. Administered Mortgage: Will the mortgage be administered for the investor/lender?

- ☐ Yes
☐ No

If "Yes, name, address and licence number of mortgage administrator:

Name		Licence Number	
Address - Street	City	Province	Postal Code
Telephone Number	E-mail Address		

Note: A Mortgage Administrator must be licensed under the MBLAA.

7. Terms of the Mortgage

Amount of your investment: _____	Term: _____
Face value of the mortgage: _____	Amortization: _____
Interest rate <input type="radio"/> Fixed <input type="radio"/> Variable Percentage per annum: _____	Maturity date (yyyy-mm-dd): _____
Explain the interest rate: _____	Balance on maturity: _____
Compounding period: _____	Borrower's first payment due (yyyy-mm-dd): _____
Payment frequency: _____	Borrower's rate of interest if different from the rate of interest to be paid to the investor: _____
Payments to be made by borrower: _____	Investor's rate of interest: _____
Payments to the investor/lender: _____	
Source of funds: _____	

8. Rank of Mortgage (according to information from borrower):

(a) The mortgage to be purchased/advanced is/will be a:

- ☐ First
☐ Second
☐ Third
☐ Other mortgage _____

(b) Can the rank of the mortgage change?

- ☐ Yes
☐ No

If Yes, explain how it might change and if it is expected to change:

9. Prior encumbrances:

(a) Are there any prior encumbrances (existing or anticipated)?

- ☐ Yes
☐ No

Encumbrance A

Priority	Face Amount	Amount Owing
In default? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:		
Name of Mortgagee:		

Encumbrance B

Priority	Face Amount	Amount Owing
In default? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown		
If yes, explain:		
Name of Mortgagee:		

(b) Other encumbrances, including environmental, regulatory and/or liens:

--

10. Loan-to-Value Ratio

(a) Total of prior encumbrances:	_____
(b) Amount of this mortgage:	_____
(c) Total amount of mortgages: (a + b)	_____
(d) Appraised estimated ("as is") value:	_____
(e) Loan to "as is" value: (c/d X 100)	_____

11. Amount of Mortgage Advance

If the amount of the mortgage advance is less than the face value of the mortgage, explain:

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12. Legal Rights of Investor/Lender

Describe the legal rights of the investor/lender and nature of the investment including, but not limited to:

- (a) right of the borrower or mortgage administrator to:
 - 1. extend the term of the mortgage loan;
 - 2. require the mortgage be subordinated to subsequent financing;
 - 3. waive defaults under the mortgage loan;
 - 4. increase the amount of the mortgage;
 - 5. amend the terms of the mortgage and/or loan agreement; and
 - 6. pay proceeds from the sale of the property based on a priority scheme other than that set out under question 8(a).
- (b) the rights of the investor/lender on default by the borrower, and the rights of the lender/investor to share the proceeds of any recovery from the borrower, in particular, the investor/lender's voting rights and whether the investor/lender has the right to institute individual legal action against the borrower, and, if not, the person or persons who may institute or co-ordinate the institution of legal action against the borrower.

The response "Refer to Administration Agreement" is not acceptable.

Part C - Fees	
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1. Fees and charges payable by the investor/lender:

(a) Fees and charges (please indicate fees and charges on the basis of the investor/lender's portion of the loan only).

Estimate	
Mortgage brokerage fee/commission/other costs:	
Approximate legal fees and disbursements:	
Administration fees (where applicable):	
Specify any other charges:	

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(b) Are any of the fees or charges refundable?

☐ Yes

☐ No

Explain:

--

2. Fees and costs payable by the borrower:

Type of Fee or Cost (i.e., purpose)	Payable To	Estimate

Part D - Project and Use of Funds

1. Briefly describe the project and plans for the use of funds:

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2. Use of loan proceeds:

(a) Construction/Development Loans:

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Soft costs (e.g. applying for zoning charges, advertising, interior design and architect fees)		
Construction costs		
Payment of fees to brokerage, lawyers, etc.		
Payment of interest		
Specify any other costs:		

(b) Loans other than Construction/Development

Intended use of available funds	Amount (\$)	Party Receiving Payment (indicate if the party is a related party)
Specify costs:		

3. Will funds be raised from investors/lenders in stages?

- ☐ Yes
- ☐ No

If Yes, disclose the period over which the funds will be raised and the criteria to determine when they will be raised:

4. Identify any person who will monitor, or assist in monitoring, the disbursement of funds to the borrower. If this person is NOT the Mortgage Administrator detailed in Section 3, Part B, Question 6, provide details. Note: A Mortgage Administrator must be licensed under the MBLAA.

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5. Are there any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled?

- ☐ Yes
☐ No

If Yes, describe those conditions and the procedure for the return of funds to the investor/lender if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions:

6. Describe any other information material to the use of the funds:

Part E - Material Risks

Investments in non-qualified syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and other risks associated with syndication. Identified risks should include risks associated with non-qualified syndicated mortgages generally, the terms of this specific non-qualified syndicated mortgage and the specific characteristics and circumstances of this project.

The general risks of a non-qualified syndicated mortgage investment/loan are detailed in Form 3.1 – Suitability Assessment for Investor/Lender in a Non-qualified Syndicated Mortgage that you (the investor/lender) have already acknowledged receiving earlier. These material risks should be consistent with those outlined to you earlier and also include those risks that are specific to this non-qualified syndicated mortgage investment/loan.

Disclose the material risks of the investment (attach additional pages as required):

Part F - Material Contracts

1. Give particulars of every material contract relating to the offering of the investment entered into or to be entered into by the borrower or the mortgage brokerage or, if applicable, any of the affiliates of the borrower or mortgage brokerage, within the last two years of the date of this form and, where the material contracts are not attached to this form, state a time and place at which those contracts or copies of those contracts may be inspected.

Mortgage Broker initials:
Date:

Investor/lender initials:
Date:

Section 4 – Transaction Parties

Part A - The Borrower

1. The borrower is:

- ☐ An individual
- ☐ A Corporation/Partnership/Other

2. Name and Municipal Address of the borrower:

Name			
Address - Street	City	Province	Postal Code
Jurisdiction of Incorporation/Organization: (if applicable)		Date of Incorporation/Organization (yyyy-mm-dd): (if applicable)	

3. Describe the borrower's ownership/control structure.

(a) If the borrower is a corporation, list:

- every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
- the directors and officers of the corporation (if different from persons listed for 3. (a)1).

(b) If the borrower is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

4. Has the mortgage brokerage verified the identity of the borrower(s)?

- ☐ Yes
☐ No

If Yes, evidence of identity is attached or will be provided on Date (yyyy-mm-dd): _____

If No, explain what steps the mortgage brokerage will take to verify the identity before closing:

5. Is the borrower the Developer of the project:

- ☐ Yes If Yes, proceed to Question 6.
☐ No If No, proceed to Question 9.

6. What is the borrower's Tarion Warranty Corporation number?

7. Describe the borrower's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the borrower was/is a party to a project that has had a mortgage default and power of sale proceeding).

8. What due diligence has the mortgage brokerage done to confirm the borrower's background and experience with construction/development projects?

9. Has the borrower or any of the principals of the borrower (directors, officers, owners, partners or majority shareholders) been involved in any of the following:	Yes/ No/ Unknown
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the borrower, against the principals personally, or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 9, explain:

10. Borrower's Financial Information – Documentary evidence of the borrower's ability to meet the mortgage payments must be attached to this form. If the borrower is not an individual, the borrower's most recent comparative financial statements in respect of the one or, if available, two most recent years before the date of this Disclosure Statement are for the following years:

Year 1: _____ Year 2: _____

Note: The borrower's financial statements must be prepared in accordance with paragraph 15 of subsection 31.1(1) of O. Reg 188/08.

11. Does the mortgage include a personal covenant, guarantee or other financial commitment?

- ☐ Yes
☐ No

If Yes, please describe (including a description of who provided the covenant, guarantee or commitment):

Part B - The Developer

1. Name, address and Tarion Warranty Corporation number of the developer

Name		Tariion Warranty Corporation number	
Address - Street	City	Province	Postal Code
Jurisdiction of Incorporation/Organization: (if applicable)		Date of Incorporation/Organization (yyyy-mm-dd): (if applicable)	

2. Describe the developer's ownership/control structure.

(a) If the developer is a corporation, list:

1. every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
2. the directors and officers of the corporation (if different from persons listed for 1. (a) (1).

(b) If the developer is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

3. Describe the role of the developer in the project as distinct from the borrower:

4. What due diligence has the mortgage brokerage done regarding the background and experience of the developer?

5. Describe the developer's experience with construction/development projects over the past five years, including projects that succeeded and those that failed (i.e., the developer was/is involved in a project that has had a mortgage default and power of sale proceeding).

6. What due diligence has the mortgage brokerage done to confirm the developer's background and experience with construction/development projects?

7. Has the developer or any of the principals of the developer (directors, officers, owners, partners or majority shareholders) been involved in any of the following:	Yes/ No/ Unknown
(a) Been convicted, found guilty of or currently charged with any criminal or regulatory offence under any law of any province, territory, state or country?	
(b) Currently the subject of any civil proceedings or any unsatisfied judgements imposed by a civil court in Canada or elsewhere, against the developer, against the principals personally , or against a business in which they have an interest in at least ten percent of the equity shares or ownership shares of the business?	
(c) Within the five years before the date of this form, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.	
(d) Been the subject of a regulatory investigation or proceeding, or has otherwise been subject to regulatory sanctions.	

If yes or unknown, to any of the responses in Question 7, explain:

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Part C - The Mortgage Brokerage

1. Organization of the mortgage brokerage

Jurisdiction of Incorporation/Organization:	Date of Incorporation/Organization (yyyy-mm-dd):
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2. Describe the brokerage's ownership/control structure.

(a) If the mortgage brokerage is a corporation, list:

- every legal or beneficial owner of, or person who exercises direct or indirect control or direction over more than 25% of the voting rights attached to the outstanding voting securities of the corporation, and that person's ownership/controlling interest (as a percentage); and
- the directors and officers of the corporation (if different from persons listed for 2. (a) (1).

(b) If the mortgage brokerage is a partnership or trust, list every person or entity that is able to control the affairs of the partnership or trust, including investment decisions.

Name and Occupation	Address (City, Province)	% share of entity	Director/ Officer/ Partner/ Shareholder/ Trustee

Mortgage Broker initials:
Date:

Investor/lender initials:
Date:

Section 5 – Attached Documents

Important: The investor/lender should review the following documents carefully and assess the risks of this investment before committing to invest. The investor/lender should check that all documents are consistent with this disclosure summary. The following documents should be attached. If not available or applicable, provide comments below.

- ☐ A copy of the appraisal of the property, that satisfies the criteria as set out in s. 31.1(1)2 of O. Reg. 188/08.
- ☐ If the investment is in, or the loan is in respect of, an existing mortgage, a copy of the mortgage instrument.
- ☐ If the investment is in, or the loan is in respect of, an existing mortgage, a statement indicating whether the mortgage is in arrears and whether any mortgage payments are delayed or owing.
- ☐ A copy of the certificate of mortgage interest, the assignment of the mortgage or any other document that proves evidence of the investment or loan.
- ☐ If an agreement of purchase and sale in respect of the property relating to the mortgage has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
- ☐ Documentary evidence of the borrower's ability to meet the mortgage payments.
- ☐ A copy of the application for the mortgage and of any documents submitted in support of the application.
- ☐ If the investment is in, or if the loan is in respect of, a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property relating to the non-qualified syndicated mortgage.
- ☐ A copy of any administration agreement that is applicable to the investor/lender.
- ☐ A copy of any trust agreement that is applicable to the investor/lender.
- ☐ A copy of the commitment letter or document setting out the terms of the investor/lender's commitment to advance funds to the borrower.
- ☐ A copy of any agreement that the investor/lender may be asked to enter into with the mortgage brokerage.
- ☐ If the borrower is not an individual, the borrower's financial statements as required under section 31.1(1) 15 of O. Reg. 188/08.
- ☐ All other information, in writing, that an investor/lender of ordinary prudence would consider to be material to a decision about whether to lend money on the security of the property related to the non-qualified syndicated mortgage or to invest in the non-qualified syndicated mortgage.
- ☐ Other documents

Comments:

One copy of this form must be provided to the lender/investor, and one copy must be retained by the mortgage brokerage.

Mortgage Broker initials:

Date:

Investor/lender initials:

Date:

Section 6 - Declaration and Acknowledgement

Declaration by Mortgage Brokerage

This Form 3.2 – Disclosure Statement for Investor/Lender in a Non-qualified Syndicated Mortgage has been completed by:

Name of Mortgage Brokerage

I have fully completed this form in accordance with the Mortgage Brokerages, Lenders and Administrators Act, 2006 and its regulations and declare it to be accurate in every respect to the best of my knowledge. I have discussed the contents of this form with the investor/lender.

Print name of Mortgage Broker

Licence number of Mortgage Broker

Signature of Mortgage Broker

Date (yyyy-mm-dd)

Acknowledgement by Investor/Lender

I acknowledge receipt of this Form 3.2 – Disclosure Statement for Investor/Lender Disclosure in a Non-qualified Syndicated Mortgage, signed by the mortgage broker.

Name of Investor/Lender

Address of Investor/Lender

Signature of Investor/Lender

Date (yyyy-mm-dd)