



CONSUMER AFFAIRS BULLETIN – 2018-005

Replaces Bulletin 2017-002 effective 1 October 2018

Mortgage Broker Act – Reporting a “change in circumstances”

Introduction

Section 22 of the *Mortgage Brokers Act* (“the Act”) requires every licence holder and applicant for a licence under the Act to notify the FCNB Director of Mortgage Brokers (“the Director”) of a “change in circumstances” (“CIC”). What constitutes a CIC is set out in [Rule MB-001](#) under the Act.

This document provides guidance on the various types of CIC which must be reported to the Director under the Act.

How to report a CIC

A CIC report may be completed online for all changes, other than a change in name, by accessing [FCNB’s portal](#). Please note that there are two portal processes for reporting a CIC:

- A change in facsimile number or email address must be reported by updating the portal profile for the licence holder.
- All other CIC’s must be submitted using the online CIC process in the portal.

A CIC reporting guide and FAQ are available [online](#).

Reporting a change in name

A Broker or Associate Broker may report a change in name by sending an email with particulars of the change (including supporting documentation) to mortgage.licensing@fcnb.ca. FCNB staff will review the request and make the appropriate change in our system.

Licences are not transferable. In most circumstances a brokerage or administrator change in name requires a new licence application. Please contact FCNB staff to determine if a new licence is required. Should a new licence be required, you will need to complete a new application online and advise FCNB staff by email (mortgage.licensing@fcnb.ca) that your name has changed so that the licence under the prior name can be terminated upon a licence being granted for the new entity.

The types of CIC which must be reported

CIC obligations depend on the type of licence being held. There is also a CIC obligation upon anyone who has completed an application for a licence. The obligations for each licence type are set out below. Please consult the table of CIC types in Appendix A for an explanation of what each type means as well as the time period within which the CIC report must be made.

Associate Broker Licence

- CIC-1: A change in facsimile number
- CIC-2: A change in email address
- CIC-6: A change in authority to engage in mortgage brokering in another jurisdiction
- CIC-7: No longer authorized to broker mortgages on behalf of a brokerage
- CIC-8: Charged with an offence
- CIC-9: Subject of civil action or administrative proceeding

Broker Licence

- CIC-1: A change in facsimile number
- CIC-2: A change in email address
- CIC-6: A change in authority to engage in mortgage brokering in another jurisdiction
- CIC-7: No longer authorized to broker mortgages on behalf of a brokerage
- CIC-8: Charged with an offence
- CIC-9: Subject of civil action or administrative proceeding

Brokerage Licence (with or without endorsement)

- CIC-1: A change in facsimile number
- CIC-2: A change in email address
- CIC-3: Broker or associate licensing not suitable/objectionable
- CIC-4: Change in address for service
- CIC-5: Change in financial security/working capital
- CIC-6: A change in authority to engage in mortgage brokering in another jurisdiction
- CIC-8: Charged with an offence
- CIC-9: Subject of civil action or administrative proceeding
- CIC-10: Closing, addition, relocation or other change in business location
- CIC-11: Relocation of principal business location (if no business location in NB)
- CIC-12: Change in officer and/or director
- CIC-13: Cessation of business
- CIC-14: Subject of bankruptcy, receivership or wind-up proceeding
- CIC-15: Transfer of records to other business location
- CIC-16: Principal broker ceases to act
- CIC-17: Broker or associate ceases to be authorized to act
- CIC-18: Addition or departure of partner(s)

Administrator Licence

- CIC-1: A change in facsimile number
- CIC-2: A change in email address
- CIC-4: Change in address for service
- CIC-5: Change in financial security/working capital
- CIC-6: A change in authority to engage in mortgage administration in another jurisdiction
- CIC-8: Charged with an offence
- CIC-9: Subject of civil action or administrative proceeding
- CIC-10: Closing, addition, relocation or other change in business location
- CIC-11: Relocation of principal business location (if no business location in NB)
- CIC-12: Change in officer and/or director
- CIC-13: Cessation of business
- CIC-14: Subject of bankruptcy, receivership or wind-up proceeding
- CIC-15: Transfer of records to other business location

Licence Applicant

- CIC-19: Any information provided in application has changed

Issued by:

Alaina M. Nicholson

Director of Mortgage Brokers

Date:

1 October 2018

Appendix A – CIC details and timeline

MBA = *Mortgage Brokers Act*

Rule = *RULE MB-001 Mortgage Brokers Licensing and Ongoing Obligations*

Type: CIC-1	Short description: A change in facsimile number
Statutory provision(s): MBA 22(1)	
Must be completed if: The licence holder changes the number used for sending and receiving facsimile transmissions.	
When to report: immediately upon the change taking effect.	

Type: CIC-2	Short description: A change in email address
Statutory provision(s): MBA 22(1)	
Must be completed if: The licence holder changes the email address used for accessing the FCNB portal and/or conducting licensed activities.	
When to report: immediately upon the change taking effect.	

Type: CIC-3	Short description: Broker or associate licensing not suitable/objectionable
Statutory provision(s): Rule 29(3)(a)(b)	
Must be completed if: The mortgage brokerage has reason to believe the Director could determine that:	
<ul style="list-style-type: none"> (i) a mortgage broker or a mortgage associate is not suitable to hold a licence pursuant to the Act; or (ii) the continued licensing of a mortgage broker or mortgage associate pursuant to the Act would be objectionable. 	
Circumstances which give rise to this reporting requirement include, but are not limited to, situations where the mortgage brokerage is aware that a mortgage broker or mortgage associate acting for that brokerage:	
<ul style="list-style-type: none"> • is insolvent; • has sought bankruptcy protection; • has engaged in conduct constituting fraud, breach of trust, deceit or misrepresentation. 	
When to report: immediately upon the event having occurred.	

Type: CIC-4	Short description: Change in address for service
Statutory provision(s): MBA 22(1)	
Must be completed if: The licence holder changes its corporate agent and/or address for service.	
When to report: immediately upon the change taking effect.	

Type: CIC-5	Short description: Change in financial security/working capital
Statutory provision(s): MBA 7(2) and Rule 10(1)(e)	
Must be completed if: The financial security provided by a licence holder under section 12 of the MBA is not in force or effective in accordance with its terms, or if the required working capital is less than the required minimum. Section 12(5) of the MBA provides that financial security may be forfeited in the event the licence holder is convicted of certain offences, is subject to certain civil judgments, or if an act of bankruptcy has been committed. Any such events must be reported.	
When to report: immediately upon the event having occurred.	

Type: CIC-6	Short description: A change in authority to engage in mortgage brokering in another jurisdiction
Statutory provision(s): Rule 10(1)(b)	
Must be completed if: The licence holder is the subject of any changes to the authority of the licence holder to engage in brokering mortgages or administering mortgages in another jurisdiction in Canada, including a suspension, cancellation, imposition of terms and conditions or other restrictions, or surrendering of a licence to an out-of-province regulatory authority.	
When to report: within 7 days from the change.	

Type: CIC-7	Short description: No longer authorized to broker mortgages on behalf of a brokerage
Statutory provision(s): Rule 10(4)	
Must be completed if: The licence holder ceases to be authorized to broker mortgages on behalf of the mortgage brokerage named in his or her licence.	
Circumstances which give rise to this reporting requirement include, but are not limited to: <ul style="list-style-type: none"> • Being dismissed from the employment of the brokerage. • A change in responsibility which includes no longer being authorized to broker mortgages. 	
Note that the employing brokerage has a corresponding reporting obligation (see CIC-17).	
When to report: within 7 days from the date authorization ceased.	

Type: CIC-8	Short description: Charged with an offence
Statutory provision(s): Rule 10(1)(c)	
Must be completed if: The licence holder is charged with a criminal offence under federal statutes, including but not limited to the Criminal Code of Canada, Income Tax Act (Canada), the Competition Act (Canada), Immigration and Refugee Protection Act (Canada) and the Controlled Drugs and Substances Act (Canada) or any other offence against any law of any country, province or state, excluding: <ul style="list-style-type: none"> (i) charges for summary conviction offences that have been stayed for six months or more; (ii) charges for indictable offences that have been stayed for a year or more; (iii) offences under the Youth Criminal Justice Act (Canada); and (iv) speeding or parking violations. 	
When to report: within 7 days from being charged.	

Type: CIC-9	Short description: Subject of civil action or administrative proceeding
Statutory provision(s): Rule 10(1)(d)	
Must be completed if: The licence holder is a defendant or respondent in a civil action or administrative proceeding, alleging fraud, breach of trust, deceit or misrepresentation by the licence holder.	
When to report: within 7 days from the date of the change.	

Type: CIC-10	Short description: Closing, addition, relocation or other change in business location
Statutory provision(s): Rule 10(2)(a)	
Must be completed if: The licence holder effects a change of a business location in New Brunswick, including the opening of a new business location and the closing or relocation of an existing business location.	
When to report: within 7 days from the date of the change.	

Type: CIC-11	Short description: Relocation of principal business location (if no business location in NB)
Statutory provision(s): Rule 10(2)(b)	
Must be completed if: The licence holder relocates its principal business location. Note that this reporting obligation only applies to a mortgage brokerage or mortgage administrator who does <u>not</u> have a business location in New Brunswick.	
When to report: within 7 days from the date of the change.	

Type: CIC-12	Short description: Change in officer and/or director
Statutory provision(s): Rule 10(2)(c)	
Must be completed if: The licence holder is a corporation and there is a change in one or more of its officers and/or directors.	
When to report: within 7 days from the date of the change.	

Type: CIC-13	Short description: Cessation of business
Statutory provision(s): Rule 10(2)(d)	
Must be completed if: The licence holder ceases to conduct business in New Brunswick as a mortgage brokerage or a mortgage administrator.	
When to report: within 7 days from the date of the change.	

Type: CIC-14	Short description: Subject of bankruptcy, receivership or wind-up proceeding
Statutory provision(s): Rule 10(2)(e)	
Must be completed if: The licence holder is the subject of bankruptcy, receivership or winding-up proceedings.	

When to report: within 7 days from the date of the commencement of the proceeding.

Type: CIC-15	Short description: Transfer of records to other business location
Statutory provision(s): Rule 10(2)(f)	
Must be completed if: The licence holder transfers its records to a business location other than the location on record with the Director for the storage of those records.	
When to report: within 7 days from the date of the transfer.	

Type: CIC-16	Short description: Principal broker ceases to act
Statutory provision(s): Rule 10(3)(a)	
Must be completed if: The person designated by a mortgage brokerage as its principal broker ceases to act in that capacity.	
When to report: within 7 days from the date the person ceases to act as principal broker.	

Type: CIC-17	Short description: Broker or associate ceases to be authorized to act
Statutory provision(s): Rule 10(3)(b)	
Must be completed if: A mortgage broker or a mortgage associate ceases to be authorized to broker mortgages on behalf of a mortgage brokerage.	
Note that the mortgage broker or associate has a corresponding reporting obligation (see CIC-7).	
When to report: within 7 days from the date the person ceases to be authorized.	

Type: CIC-18	Short description: Addition or departure of partner(s)
Statutory provision(s): Rule 10(3)(c)	
Must be completed if: The mortgage brokerage is a partnership, and one or more partner leaves or is added.	
When to report: within 7 days from the date the partner(s) leave(s) or is/are added.	

Type: CIC-19	Short description: Any information provided in application has changed
Statutory provision(s): Rule 10(5)	
Must be completed if: Any information submitted by a person who has completed an application for a licence under the MBA has changed.	
This reporting requirement also includes an ongoing obligation to provide any additional information with respect to any of the various areas of enquiry completed by the applicant in his or her application, until the licence application has been processed by FCNB staff.	
When to report: within 7 days from the date of the change.	