



RESPONSIBILITIES – MORTGAGE ASSOCIATE

Summary: There are a number of responsibilities mortgage associates must fulfill as they work as licensed industry members in Alberta. These responsibilities are integral to ensure that dealing in mortgages is carried out competently and in accordance with legislation. These responsibilities include, but are not limited to, only dealing in mortgages in the name that appears on the individual's licence, maintaining communication with the broker regarding activities being performed on behalf of the brokerage and notifying the broker upon learning of a violation of the Act, Regulations, Rules or Bylaws by any industry member or employee associated with the brokerage. [See: *Real Estate Act* Rules, s.69]]

In an effort to provide more clarity to mortgage associates as to what their responsibilities are under the *Real Estate Act* and Rules, section 69 of the *Real Estate Act* Rules was drafted to be specific for mortgage industry members. It means that there should be no confusion over what expectations apply to mortgage associates.

The responsibilities and accountabilities of mortgage associates include:

- dealing in mortgages only in the name that appears on the individual's licence
- dealing only in the name of the brokerage with which that industry member is registered
- ensuring that all transactions meet the legislative requirements under the *Real Estate Act* and providing all documentation and trade records to the broker
- maintaining communication with mortgage broker regarding the activities being performed by the industry members registered to that brokerage
- notifying the broker upon learning of any violation of the *Real Estate Act*, Bylaws or Rules
- notifying the Real Estate Council of Alberta of any changes to information given to the Real Estate Council of Alberta (e.g. address change, change of brokerage) as soon as the change occurs; see RECA Information Bulletin: *Notice to Executive Director*.

For more information on advertising requirements and restrictions related to dealing in the name of the brokerage with which the industry member is registered, please see RECA Information Bulletin: *Advertising – Licensed Name*, RECA Information Bulletin: *Clearly Indicated* and RECA Information Bulletin: *Teams*.

Associates are responsible for keeping their broker informed of all their business transactions. This would include all written documentation regarding completed and non-completed mortgage deals, as the case may be. Additional documentation could include but is not limited to:

- verification of the industry member's share position in a company if the industry member is having his or her commissions paid to that company;
- any change of information that was given to the Real Estate Council of Alberta at renewal;
- any information regarding any deal in mortgages on the industry member's own behalf; and,

- if a brokerage uses an electronic submission system (i.e. Filogix), use the system and advise the broker of any deviations.

If a mortgage associate hires an assistant who is not employed by the brokerage, the associate is responsible for ensuring adequate supervision of that assistant.

Examples

1. Margaret Deal is a licensed mortgage associate with 123 Mortgage Associates Inc. All of her marketing materials use the name “Maggie Dealmaker.” Ms. Deal has previously provided her also-known-as “first” name, Maggie, to the Real Estate Council of Alberta for approval. Because it is a derivative of her legal first name, RECA approved her use of the name “Maggie” while dealing in mortgages. RECA, however, does not approve the use of false last names by industry members and as such, Ms. Deal cannot deal in mortgages using the name “Dealmaker.” Ms. Deal may wish to use “Dealmaker” as an additional moniker in her advertising, which is acceptable provided that her full licensed-as name and brokerage name appear in the advertisement and are clearly indicated.
2. Jane Smith is a licensed mortgage associate registered with TEAM Mortgages Ltd. Ms. Smith meets with a couple of clients and completes a mortgage application with them on their behalf. Ms. Smith submits their application to a number of lenders and their application is not approved by any of the lenders. The clients decide it is not a good time to obtain a mortgage and cease their dealings with Ms. Smith. Given that no mortgage funds were advanced, Ms. Smith throws out the mortgage application. This is not allowed. Ms. Smith is responsible for providing all mortgage documentation – for completed deals and non-completed deals – to her broker.
3. John Doe is a licensed mortgage associate. He personally hires an assistant, separately from the brokerage with which he is registered. Mr. Doe is responsible for adequately supervising his personal assistant, this includes ensuring that his assistant is not performing any tasks for which a mortgage industry member licence is required.