# ONTARIO REGULATION 191/08

made under the

# MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006

Made: June 4, 2008
Filed: June 6, 2008
Published on e-Laws: June 9, 2008
Printed in *The Ontario Gazette*: June 21, 2008

## COST OF BORROWING AND DISCLOSURE TO BORROWERS

Skip Table of Contents

**CONTENTS**



### APPLICATION AND INTERPRETATION

**Application**

**1.** (1) This Regulation applies to every mortgage other than a mortgage entered into with a borrower who is not a natural person, or a mortgage that a borrower enters into for business purposes.

(2) Sections 3 to 16 do not apply to a mortgage brokerage if the brokerage gives a disclosure statement to a borrower on behalf of a person described in Column 1 of the following Table who is acting as a mortgage lender and if the disclosure statement meets the disclosure requirements under the corresponding legislation set out in Column 2.

TABLE

| Column 1 | Column 2 |
|---|---|
| A bank | *Bank Act* (Canada) |
| A retail association as defined under the *Cooperative Credit Associations Act* (Canada) | *Cooperative Credit Associations Act* (Canada) |

| | |
|---|---|
| A credit union | *Credit Unions and Caisses Populaires Act, 1994* |
| An insurance company | *Insurance Act* |
| An insurance company | *Insurance Companies Act* (Canada) |
| A trust corporation | *Trust and Loan Companies Act* (Canada) |
| A loan corporation | *Trust and Loan Companies Act* (Canada) |
| Another mortgage brokerage | *Mortgage Brokerages, Lenders and Administrators Act, 2006* |

(3) Despite subsection (2), sections 3 to 16 continue to apply to a mortgage brokerage if the brokerage requires the borrower to pay for any of its services or for any of its disbursements, transactions or other activities in relation to the mortgage.

**Definitions**

**2.** In this Regulation,

"APR" means the cost of borrowing expressed as an annual rate on the principal referred to in subsection 3 (1);

"disbursement charge" means a charge, other than one referred to in subsection 5 (1), to recover an expense incurred by the lender to arrange, document, insure or secure a mortgage and includes charges referred to in clauses 5 (2) (c) and (f) to (h);

"high-ratio mortgage" means a mortgage under which the amount advanced, together with the amount outstanding under any other mortgage that ranks equally with, or prior to, the mortgage loan exceeds 80 per cent of the market value of the property securing the loan;

"principal" means the amount borrowed under a mortgage but does not include any cost of borrowing;

"public index" means an interest rate, or a variable base rate for an interest rate, that is published at least weekly in a newspaper or magazine of general circulation, or in some media of general circulation or distribution, in areas where borrowers whose mortgages are governed by that interest rate reside.

COST OF BORROWING

**Calculation of the APR**

**3.** (1) For the purpose of subsection 23 (2) of the Act, the cost of borrowing for a mortgage is the annual rate on the principal as calculated using the formula,

$$\text{APR} = \frac{\text{C}}{\text{T} \times \text{P}} \times 100$$

in which,

"APR'' is the annual percentage rate cost of borrowing,

"C" is the cost of borrowing within the meaning of section 5 over the term of the mortgage,

"P" is the average of the principal of the mortgage outstanding at the end of each period for the calculation of interest under the mortgage, before subtracting any payment that is due at that time, and

"T" is the term of the mortgage in years, expressed to at least two decimal points of significance.

(2) For the purpose of subsection (1),

(a) the APR may be rounded off to the nearest eighth of a per cent;

(b) each instalment payment made on the mortgage must be applied first to the accumulated cost of borrowing and then to the outstanding principal;

(c) a period of,

(i) one month is 1/12 of a year,

(ii) one week is 1/52 of a year, and

(iii) one day is 1/365 of a year;

(d) if the annual interest rate underlying the calculation is variable over the period of the mortgage, it must be set as the annual interest rate that applies on the day that the calculation is made;

(e) if there are no instalment payments under the mortgage, then the APR must be calculated on the basis that the outstanding principal is to be repaid in one lump sum at the end of the term of the mortgage; and

(f) a mortgage for an amount that comprises, in whole or in part, an outstanding balance from a prior mortgage is a new mortgage for the purpose of the calculation.

(3) The cost of borrowing for a line of credit or credit card that is secured under a mortgage is,

(a) if the mortgage has a fixed annual interest rate, that annual interest rate; or

(b) if the mortgage has a variable annual interest rate, the annual interest rate that applies on the date of the disclosure.

**Annual interest rate as APR**

**4.** (1) The APR for a mortgage is the annual interest rate if there is no cost of borrowing other than interest.

(2) If an interest rate is disclosed in accordance with section 6 of the *Interest Act* (Canada), the APR must be calculated in a manner that is consistent with that section.

**Included and excluded charges**

**5.** (1) Subject to subsection (2), the cost of borrowing for a mortgage, other than one that secures a line of credit, consists of all the costs of borrowing under the mortgage over its term and including the following charges:

1. Administrative charges, including charges for services, transactions or any other activity in relation to the mortgage.
2. Charges for the services, or disbursements, of a lawyer or notary hired by the lender and payable by the borrower.
3. Insurance charges other than those excluded under clauses (2) (a), (f) and (h).
4. Brokerage charges paid by the lender to another brokerage in connection with the mortgage, if the borrower is required to reimburse the lender for the charges.
5. Charges for appraisal, inspection or surveying services provided directly to the borrower in relation to property that is security for the mortgage, if those services are required by the lender.

(2) The cost of borrowing for a mortgage does not include,

(a) charges for insurance on the mortgage,

(i) if the insurance is optional, or

(ii) if the borrower is its beneficiary and the amount insured reflects the value of an asset that is security under the mortgage;

(b) charges for an overdraft;

(c) charges paid to register documents or obtain information from a public registry about security interests related to property given as security;

(d) penalty charges for the prepayment of the mortgage;

(e) charges for the services, or disbursements, of a lawyer or notary, other than those mentioned in paragraph 2 of subsection (1);

(f) charges for insurance against defects in title to real property, if the borrower selects the insurer, if the insurance is paid for directly by the borrower and if the borrower is the beneficiary of the insurance;

(g) charges for appraisal, inspection or surveying services provided directly to the borrower in relation to property that is security for the mortgage, if the borrower receives a report from the person providing the service and is entitled to give the report to third parties;

(h) charges for insurance against default on a high-ratio mortgage;

(i) charges to maintain a tax account that are required for a high-ratio mortgage or that are optional;

(j) any charges to discharge a security interest; or

(k) default charges.

## DISCLOSURE TO BORROWERS

**Manner of making disclosures**

**6.** (1) A mortgage brokerage must give the borrower a written disclosure statement that provides the information required by this Regulation.

(2) A disclosure statement may be a separate document or it may be part of another document.

(3) Information disclosed in a disclosure statement may be based on an assumption or estimate if the assumption or estimate is reasonable and if the information,

(a) cannot be known by the brokerage or the lender when the brokerage makes the statement; and

(b) is identified to the borrower as an assumption or estimate.

(4) A disclosure statement, or a consent in relation to a disclosure statement, must be written in plain language that is clear and concise and it must be presented in a manner that is logical and likely to bring to the borrower's attention the information that is required to be disclosed.

(5) If the borrower consents in writing, the disclosure statement may be provided by electronic means in an electronic form that the borrower can retrieve and retain.

**Timing of initial disclosure**

**7.** (1) A mortgage brokerage that proposes to enter into or arrange a mortgage with a borrower must give the initial disclosure statement required by this Regulation to the borrower at least two business days before the earliest of,

(a) the day on which the borrower makes any payment, other than a disbursement charge, in relation to the mortgage;

(b) the day on which the borrower enters into the mortgage agreement; and

(c) the day on which the borrower incurs any obligation in relation to the mortgage.

(2) Subsection (1) does not apply if the borrower consents in writing before the earliest of the dates described in clauses (1) (a), (b) and (c).

**Disclosure — fixed interest mortgage for a fixed amount**

**8.** (1) A mortgage brokerage that enters into or arranges a mortgage for a fixed interest rate for a fixed amount, to be repaid on a fixed future date or by instalment payments, must give the borrower an initial disclosure statement that includes the following information:

1. The principal amount of the mortgage.
2. The amount of each advance of the principal and when each advance is to be made.
3. The total amount of all payments.
4. The cost of borrowing over the term of the mortgage, expressed in dollars and cents.
5. The term of the mortgage, and the period of amortization if it is different from the term.
6. The annual interest rate and the circumstances, if any, under which it is compounded.
7. The APR, if it differs from the annual interest rate.
8. The date on and after which interest is charged and information concerning any period during which interest does not accrue.
9. The amount of each payment and when it is due.
10. The fact that each payment made on the mortgage must be applied first to the accumulated cost of borrowing and then to the outstanding principal.
11. An amortization schedule for the term of the mortgage showing the principal amount, the due date and amount of each periodic payment, the portion of each periodic payment that is charged as interest or is applied on principal, the outstanding balance of the mortgage after each periodic payment and the principal amount at maturity.
12. Information about any optional service in relation to the mortgage that the borrower accepts, the charges for each optional service and the conditions under which the borrower may cancel the service, if that information is not disclosed in a separate statement before the optional service is provided.
13. The information required by paragraphs 1 to 4 of section 24 of the Act, including a description of any components of a formula used to calculate a rebate, charge or penalty to be imposed on the borrower if the borrower exercises a right to repay the amount borrowed before the maturity of the mortgage.
14. If section 16 of this Regulation applies with respect to the mortgage, the formula set out in subsection 16 (3).
15. The particulars of the charges or penalties referred to in paragraph 5 of section 24 of the Act, including default charges that may be imposed under section 17 of this Regulation.
16. The property in which the lender takes a security interest under the mortgage.
17. Any charge for a brokerage, if the brokerage charges are included in the amount borrowed and are paid directly by the lender to the brokerage.
18. The fact that there is a charge to discharge a security interest and the amount of the charge on the day that the statement was provided.
19. The nature and amount of any charge other than an interest charge.

(2) If the outstanding balance of the mortgage is increased because the borrower has missed a scheduled instalment payment or because a default charge is levied on the borrower for missing a scheduled instalment payment, such that the amount of each of the subsequently scheduled instalment payments does not cover the interest accrued during the period for which a payment is scheduled, and if the brokerage is a lender under the mortgage, the brokerage must give the borrower a subsequent disclosure statement not more than 30 days after the missed payment or the imposition of the default charge that describes the situation and its consequences.

**Disclosure — variable interest mortgage for a fixed amount**

**9.** (1) A mortgage brokerage that enters into or arranges a mortgage with a variable interest rate for a fixed amount, to be repaid on a fixed future date or by instalment payments, must give the borrower an initial disclosure statement that includes the following information:

1. The information described in subsection 8 (1).
2. The annual rate of interest that applies on the date of the disclosure statement.
3. The method for determining the annual interest rate that applies after the date of the disclosure statement and when that determination is made.
4. The amount of each payment based on the annual interest rate that applies on the date of the disclosure statement and the dates when those payments are due.
5. The total amount of all payments and of the cost of borrowing based on the annual interest rate that applies on the date of the disclosure statement.
6. If the loan is to be paid by instalment payments and the amount to be paid is not adjusted automatically to reflect changes in the annual interest rate that apply to each instalment payment,
   i. the annual interest rate above which the amount of a scheduled instalment payment on the initial principal does not cover the interest due on the instalment payment, and
   ii. the fact that negative amortization is possible.
7. If the loan does not have regularly-scheduled payments,
   i. the conditions that must occur for the entire outstanding balance, or part of it, to become due, or
   ii. the provisions of the mortgage that set out those conditions.

(2) If the variable interest rate for the loan is determined by adding or subtracting a fixed percentage rate of interest to or from a public index that is a variable rate, and if the brokerage is the lender under the mortgage, the brokerage must give the borrower an additional disclosure statement at least once every 12 months that contains the following information:

1. The annual interest rate at the beginning and end of the period covered by the disclosure statement.
2. The outstanding balance at the beginning and end of the period covered by the disclosure statement.
3. The amount of each instalment payment due under a payment schedule and the time when each payment is due, based on the annual interest rate that applies at the end of the period covered by the disclosure statement.

(3) If the variable interest rate for the mortgage is determined by a method other than that referred to in subsection (2), and if the brokerage is the lender under the mortgage, the brokerage must give the borrower an additional disclosure statement no more than 30 days after increasing the annual interest rate by more than 1 per cent above the most recently disclosed rate and the disclosure statement must contain the following information:

1. The new annual interest rate and the date on which it takes effect.
2. The amount of each instalment payment and the time when each payment is due, for payments that are affected by the new annual interest rate.

**Disclosure — line of credit**

**10.** (1) A mortgage brokerage that enters into or arranges a mortgage securing a line of credit must give the borrower an initial disclosure statement that includes the following information:

1. The initial credit limit, if it is known at the time the disclosure is made.
2. The annual interest rate, or the method for determining it if it is variable.
3. The nature and amounts of any non-interest charges.
4. The minimum payment during each payment period or the method for determining it.
5. Each period for which a statement of account is to be provided.
6. The date on and after which interest accrues and information concerning any grace period that applies.

7. The particulars of the charges or penalties referred to in paragraph 5 of section 24 of the Act, including default charges that may be imposed under section 17 of this Regulation.
8. The property in which the lender takes a security interest under the mortgage.
9. Information about any optional service in relation to the mortgage that the borrower accepts, the charges for each optional service and the conditions under which the borrower may cancel the service, if that information is not disclosed in a separate statement before the optional service is provided.
10. A local or toll-free telephone number, or a telephone number with a prominent indication that collect calls are accepted, that the borrower may use to get information about the account during the lender's regular business hours.
11. Any charge for a brokerage, if the brokerage's charges are included in the amount borrowed and are paid directly by the lender to the brokerage.

(2) If the initial credit limit is not known when the initial disclosure statement is made, and if the brokerage is a lender under the mortgage, the brokerage must disclose it,

(a) in the first statement of account provided to the borrower; or

(b) in a separate statement that the borrower receives on or before the date on which the borrower receives that first statement of account.

(3) Subject to subsection (4), if the brokerage is a lender under the mortgage, the brokerage must give the borrower an additional disclosure statement at least once a month that contains the following information:

1. The period covered by the disclosure statement and the opening and closing balances in the period.
2. An itemized statement of account that discloses each amount credited or charged, including interest, and the dates when those amounts were posted to the account.
3. The sum for payments and the sum for credit advances and interest and other charges.
4. The annual interest rate that applied on each day in the period and the total of interest charged at those rates in the period.
5. The credit limit and the amount of credit available at the end of the period.
6. The minimum payment and its due date.
7. The borrower's rights and obligations regarding any billing error that may appear in the statement of account.
8. A local or toll-free telephone number, or a telephone number with a prominent indication that collect calls are accepted, that the borrower may use to get information about the account during the brokerage's regular business hours.

(4) The additional disclosure statements described in subsection (3) are not required for a period during which there are no advances or payments and,

(a) there is no outstanding balance at the end of the period; or

(b) the borrower has notice that the mortgage has been suspended or cancelled due to default and the lender has demanded payment of the outstanding balance.

**Disclosure — credit card applications**

**11.** (1) A mortgage brokerage that issues a credit card secured by a mortgage or arranges a mortgage securing a credit card and distributes an application form for credit cards must specify the following information in the application form or in a document accompanying it, including the date on which each of the matters mentioned takes effect:

1. The annual interest rate for a credit card with a fixed rate of interest.
2. If the credit card does not have a fixed rate of interest, the fact that the variable interest rate is determined by adding or subtracting a fixed percentage rate of interest to or from a public index, the public index and the fixed percentage rate to be added or subtracted from it.
3. The day on and after which interest accrues and information concerning any grace period that applies.
4. The amount of any charges other than interest charges.

(2) Subsection (1) does not apply if, on the application form or in a document accompanying it, the mortgage brokerage prominently discloses,

(a) a local or toll-free telephone number, or a telephone number with a prominent indication that collect calls are accepted, that the borrower may use to get information required by subsection (1) during the mortgage brokerage's regular business hours; and

(b) the fact that the applicant may obtain the information otherwise required by subsection (1) at that telephone number.

(3) If an individual applies for a credit card by telephone or any electronic means, the mortgage brokerage must give the applicant the information required by paragraphs 1 and 4 of subsection (1) when the application is made.

(4) If a mortgage brokerage solicits applications for credit cards secured by a mortgage in person, by mail, by telephone or by any electronic means, the information required by paragraphs 1 and 4 of subsection (1) must be disclosed at the time of the solicitation.

**Disclosure — credit cards**

**12.** (1) A mortgage brokerage that enters into or arranges a mortgage secured by a credit card must give the borrower an initial disclosure statement that includes the following information:

1. The information described in paragraphs 1 and 3 to 11 of subsection 10 (1).
2. The manner in which interest is calculated and the information required by paragraph 1 or 2, as the case may be, of subsection 11 (1).
3. If the credit agreement requires the borrower to pay the outstanding balance in full on receiving a statement of account,
   i. mention of that requirement,
   ii. the grace period by the end of which the borrower must have paid that balance, and
   iii. the annual interest rate charged on any outstanding balance not paid when due.
4. If a lost or stolen credit card is used in an unauthorized manner, the fact that the maximum liability of the borrower is the lesser of $50 and the maximum set by the credit agreement.
5. If a transaction is entered into at an automated teller machine by using the borrower's personal identification number, the fact that the liability incurred by the transaction is the borrower’s maximum liability, despite paragraph 4.
6. If the mortgage brokerage has received a report from the borrower, whether written or verbal, of a lost or stolen credit card, the fact that the borrower is not liable for any transaction entered into through the use of the card after the mortgage brokerage receives the report.

(2) If the initial credit limit is not known when the initial disclosure statement is made, the mortgage brokerage must disclose it,

(a) in the first statement of account provided to the borrower; or

(b) in a separate statement that the borrower receives on or before the date on which the borrower receives that first statement of account.

(3) Despite section 13, if a credit agreement for a credit card is amended, the mortgage brokerage must give the borrower a written statement at least 30 days before the amendment takes effect, and the statement must set out the changes to the information that was required to be given to the borrower in the initial disclosure statement, excluding information about the following changes:

1. Any change in the credit limit.
2. Any extension to the grace period.
3. Any decrease in charges other than interest charges and default charges referred to in paragraphs 3 and 7 of subsection 10 (l).
4. Any change concerning information about any optional service in relation to the credit agreement that is referred to in paragraph 9 of subsection 10 (1).
5. Any change in a variable interest rate referred to in paragraph 2 of subsection 11 (1) as a result of a change in the public index referred to in that paragraph.

(4) A change described in paragraphs 1 to 4 of subsection (3) must be disclosed in the first periodic disclosure statement that is given to the borrower after the amendment to the credit agreement is made.

(5) A mortgage brokerage that issues credit cards must give each borrower additional disclosure statements on a regular periodic basis, at least once a month that contain the following information:

1. The information described in subsections 10 (3) and (4), other than paragraphs 2 and 3 of subsection 10 (3).
2. An itemized statement of account that describes each transaction and discloses each amount credited or charged, including interest, and the dates when those amounts were posted to the account.
3. The amount that the borrower must pay, on or before a specified due date, in order to have the benefit of a grace period.

4. The sum for payments and the sum for purchases, credit advances and interest and other charges.

(6) For the purpose of paragraph 2 of subsection (5), an itemized statement of account is adequate if it permits the borrower to verify each transaction described by linking it with a transaction record provided to the borrower.

**Disclosure after amendment to a mortgage**

**13.** (1) This section applies if a mortgage brokerage is a lender under the mortgage.

(2) Subject to subsection (3), if a mortgage is amended by a subsequent agreement, the brokerage must give the borrower a written statement within 30 days after the borrower enters into the subsequent agreement, and the statement must describe the changes to the information required to be disclosed in the initial disclosure statement for the mortgage.

(3) If a mortgage for a fixed amount has a schedule for instalment payments and the schedule is amended by a subsequent agreement, the brokerage must give the borrower a written statement within 30 days after entering into the subsequent agreement, and the statement must set out the new payment schedule and any increase in the total amount to be paid or the cost of borrowing.

**Disclosure — renewal of a mortgage**

**14.** (1) This section applies if a mortgage brokerage is a lender under the mortgage.

(2) If a mortgage is to be renewed on a specified date, the brokerage must give the borrower a subsequent disclosure statement at least 21 days before the specified renewal date, and the statement must contain the information required by,

(a) section 8, if the mortgage is for a fixed interest rate; or

(b) section 9, if the mortgage is for a variable interest rate.

(3) The subsequent disclosure statement must specify that,

(a) the cost of borrowing will not be increased after the disclosure statement is given to the borrower and before the mortgage is renewed; and

(b) the borrower’s rights under the mortgage continue, and the renewal does not take effect, until the day that is the later of the specified renewal date and the day that is and 21 days after the borrower receives the statement.

(4) If the brokerage does not intend to renew a mortgage after its term ends, the brokerage shall so notify the borrower at least 21 days before the end of the term.

**Disclosure — offer to waive payment**

**15.** (1) This section applies if a mortgage brokerage is a lender under the mortgage.

(2) If, under a mortgage for a fixed amount, the brokerage offers to waive a payment without waiving the accrual of interest during the period covered by the payment, the brokerage must disclose to the borrower in a prominent manner in the offer that interest will continue to accrue during that period if the borrower accepts the offer.

(3) If the brokerage offers to waive a payment under a mortgage that secures a line of credit or a credit card, the brokerage must disclose to the borrower in a prominent manner in the offer whether interest will continue to accrue during any period covered by the offer if the borrower accepts the offer.

**Disclosure — cancellation of optional services**

**16.** (1) This section applies if a mortgage brokerage is a lender under the mortgage and if the brokerage provides optional services, including insurance services, to a borrower on an ongoing basis in connection with the mortgage.

(2) A disclosure statement in relation to the mortgage must specify that,

(a) the borrower may cancel the optional service by notifying the brokerage that the service is to be cancelled effective as of the day that is the earlier of one month after the day that the disclosure statement was provided to the borrower and the last day of a notice period provided for under the mortgage agreement; and

(b) the brokerage shall, without delay, refund or credit the borrower with the proportional amount, calculated in accordance with the formula set out in subsection (3), of any charges for the service paid for by the borrower and added to the balance of the mortgage loan, but unused as of the cancellation day referred to in the notice.

(3) The proportion of charges to be refunded or credited to a borrower are calculated using the formula,

$$R = A \times \frac{n - m}{n}$$

in which,

“R” is the amount to be refunded or credited,

“A” is the amount of the charges,

"n" is the period between the imposition of the charge and the time when the services were, before the cancellation, scheduled to end, and

"m" is the period between the imposition of the charge and the cancellation.

## DEFAULT CHARGES

**Default charges**

**17.** If a mortgage brokerage is a lender under a mortgage and if a borrower fails to make a payment when it becomes due or fails to comply with an obligation under the mortgage, in addition to interest, the brokerage may impose charges for the sole purpose of recovering the costs reasonably incurred,

(a) for legal services required to collect or attempt to collect the payment;

(b) for expenses incurred to realize on a security interest taken under the mortgage or to protect such a security interest, including the cost of legal services required for that purpose; or

(c) for expenses incurred to process a cheque or other payment instrument that the borrower used to make a payment under the mortgage but that was dishonoured.

## ADVERTISING

**Advertising — mortgage for a fixed amount**

**18.** (1) If a mortgage brokerage advertises a mortgage for a fixed amount and if the advertisement includes a representation about the interest rate or the amount of any payment or of any charge other than interest, the advertisement must also include the APR and the term of the mortgage and the APR must be provided at least as prominently as the representation and in the same manner as the representation is made, whether visually or aurally, or both.

(2) If the APR or the term of the mortgage is not the same for all mortgages to which the advertisement relates, the disclosure must be based on an example of a mortgage that fairly depicts all those mortgages and is identified as a representative example of them.

**Advertising — line of credit**

**19.** If a mortgage brokerage advertises a mortgage that secures a line of credit and if the advertisement includes a representation about the annual interest rate or the amount of any payment or of any charge other than interest, the advertisement must also include the annual rate of interest on the date of the advertisement and any initial or periodic charges other than interest and that information must be provided at least as prominently as the representation and in the same manner as the representation is made, whether visually or aurally, or both.

**Advertising — interest-free periods**

**20.** (1) If a mortgage brokerage advertises a mortgage and if the advertisement includes a representation, express or implied, that a period of the mortgage is free of any interest charges, the advertisement must indicate whether interest accrues during the period and is payable after the period and that information must be provided at least as prominently as the representation, if it was express, or in a prominent manner, if it was implied.

(2) If interest does not accrue during the period, the advertisement must also disclose any conditions that apply to the forgiving of the accrued interest and the APR, or the annual interest rate in the case of a mortgage that secures a credit card or line of credit, for a period when those conditions are not met.

## PURCHASING INSURANCE

**Insurance**

**21.** (1) This section applies if a brokerage is a lender under the mortgage.

(2) If the brokerage requires a borrower to purchase any insurance, and if the brokerage offers to provide or arrange the insurance, the brokerage must at the same time clearly disclose to the borrower in writing that the borrower may purchase the required insurance through any insurer who may lawfully provide that type of insurance except that the brokerage may reserve the right to disapprove on reasonable grounds an insurer selected by the borrower.

## COMMENCEMENT

**Commencement**

**22. This Regulation comes into force on January 1, 2009.**

Back to top