

Information Bulletin

Bulletin Number: MB 12-001
(replaces MB 09-003)

Topic: RECORD KEEPING REQUIREMENTS FOR MORTGAGE BROKERS

Issue Date: FEBRUARY 2012

Section 6(a) of the *Mortgage Brokers Act Regulations* requires that mortgage brokers keep such books and records as are necessary for the proper recording of their business transactions. The Registrar's requirements for keeping books and records are set out below.

1. Mortgage brokers shall keep separate, and make available at their registered business address for a period of **seven years**, all records relating to each mortgage transaction or potential mortgage transaction in which the mortgage broker is involved, including:
 - signed copies of client service agreements;
 - signed copies of mortgage administration agreements;
 - commitment letters;
 - mortgage applications;
 - property appraisals;
 - credit bureau reports and authorizations;
 - records confirming down payment information, such as bank statements, gift letters;
 - copies of client income tax records, such as Notices of Assessment, tax returns, T4 slips;
 - copies of employment letters and pay stubs confirming client employment and income;
 - copies of rental tenancy agreements confirming rental income;
 - business licenses and incorporation documents confirming existence of business operations;
 - signed copies of cost of credit disclosures;
 - signed copies of investor lender disclosures;
 - signed copies of conflict of interest disclosures;
 - client banking records;
 - receipts of monies from client; and
 - any other relevant documentation or information relating to the transaction.

2. Mortgage brokers may keep any inactive records in a secure offsite storage facility, provided that the records are easily retrieved and made available to the Registrar or the Registrar's staff at the mortgage broker's registered business address within a reasonable period of time of them being requested by the Registrar or the Registrar's staff.
3. If a mortgage broker does not have a registered business address in British Columbia, it shall make available to the Registrar's staff at the Registrar's office or the service address of the mortgage broker, all records requested by the Registrar or the Registrar's staff within 7 business days of the request being made.
4. All records, including electronic records kept in third party databases, must be under the direct control of the mortgage broker and no other party, such as a separate franchising or management entity. A mortgage broker shall not enter into any contracts, agreements or arrangements which result in the mortgage broker relinquishing control over any of its mortgage broker records to third parties.
5. All records may be kept in electronic form provided that the record can be easily reproduced in a printed format.

At the office of the Registrar of Mortgage Brokers, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Mortgage Brokers Act, Business Practices and Consumer Protection Act* and Regulations. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.