



**IN THE MATTER OF THE
MORTGAGE BROKERS ACT, S.N.B. 2014, c.41
AND**

IN THE MATTER OF

***EXEMPTION FROM CERTAIN REQUIREMENTS IN PART 2 OF RULE MB-001 MORTGAGE
BROKERS LICENSING AND ONGOING OBLIGATIONS***

Blanket Order MB-2016-01

Section 3 of the *Mortgage Brokers Act*

Interpretation

Terms defined in the *Mortgage Brokers Act (Act)* and Rule MB-001 *Mortgage Brokers Licensing and Ongoing Obligations* (Rule MB-001) have the same meaning in this order.

Background

1. The *Act* and provisions of Rule MB-001 came into effect on 1 April 2016.
2. Part 2 of Rule MB-001 provides for licensing criteria for mortgage brokerages, mortgage administrators, mortgage brokers and mortgage associates.
3. Section 8 of Rule MB-001 requires mortgage brokerages and mortgage administrators to obtain errors and omissions insurance that meets the form and requirements set out in the *Act* and subsection 8(1) of Rule MB-001.
4. Subsection 8(2) of Rule MB-001 requires mortgage brokerages and mortgage administrators to maintain such errors and omissions insurance at all times while holding a licence.
5. Paragraph 8(1)(c) of Rule MB-001 requires mortgage brokerages and mortgage administrators to have errors and omissions insurance that covers acts or omissions occurring during the period that a licence is held in New Brunswick for a period of six (6) years following the merger, dissolution or cessation of the mortgage brokerage or mortgage administrator or the suspension or cancellation of its licence in New Brunswick.

6. The requirements of paragraph 8(1)(c) of Rule MB-001 are unique to New Brunswick.
7. Applicants for a mortgage brokerage or a mortgage administrator licence have experienced difficulty in obtaining errors and omission insurance that meets the requirements of paragraph 8(1)(c) of Rule MB-001.
8. Licences may not be issued to mortgage brokerages and mortgage administrators, and consequently to mortgage brokers and mortgage associates, until the requirements of Rule MB-001 have been met.
9. Subsection 3(1) of the *Act* provides that if the Director considers it appropriate, the Director may, by order, exempt any person or class of persons from the application of the *Act* or any provision of it or from the application of the regulations or any provision of them.
10. Subsection 3(3) of the *Act* provides that such an order may be retroactive in its operation.

Order

11. The Director orders, considering that it is appropriate to do so due to the circumstances noted above, the exemption of mortgage brokerages and mortgage administrators from the application of paragraph 8(1)(c) of Rule MB-001 and the application of subsection 8(2) of Rule MB-001 as it relates to the requirements of paragraph 8(1)(c) pending further review of the requirements of paragraph 8(1)(c) of Rule MB-001 by the Commission.
12. This order is effective 1 April 2016.
13. This order remains in effect until further order of the Director.

Dated at Fredericton, New Brunswick, this 25th day of May 2016.

“Original signed by”

Suzanne Bonnell-Burley, Q.C.
Director of Mortgage Brokers