

## PART 1: MORTGAGE BORROWER RELATIONSHIP DOCUMENT & CONSENT FORM



The following form was developed by the Real Estate Council of Alberta to assist borrowers in understanding their relationship with mortgage brokerages. For a variety of reasons, a mortgage professional may not always be able to obtain the lowest rate or best terms in the market place for a particular borrower. The terms of the purchase contract, type of property, property value, borrower's employment status, borrower's financial position and credit history are some factors that might affect rates and terms.

### MORTGAGE BROKERAGE'S ROLE

The mortgage brokerage and its representative's role and obligations to the borrower and the lender will vary depending on the nature of the service relationship between the mortgage brokerage and the lender or borrower. This is not intended to be an all inclusive list but in general terms the following document describes the mortgage brokerage's role and resulting obligations to you. You are encouraged to discuss this document with your mortgage brokerage representative and ask any questions you may have.

In general terms a MORTGAGE BROKER can be described as a matchmaker between a borrower and a lender with the goal of originating a mortgage loan. Typically, a mortgage broker draws from a pool of various lenders to find the right match; however, some mortgage brokers only do business with one lender.

### NATURE OF RELATIONSHIP

The brokerage and I will act as an INTERMEDIARY between the borrower and lender(s) who have authorized us to offer their mortgage products to borrowers. In this service relationship, we are authorized to offer the mortgage products of one or more lenders to borrowers who are seeking mortgage. Our duties to you, the borrower, include the following:

- Be honest;
- Exercise reasonable care and skill
- Gather your intended property and financial information to determine the lending options available to you;
- Disclose and explain appropriate options for your consideration, complete and submit documentation to the lender; and
- Keep you informed of the progress of your application.

Our duties to the lender are:

- Be honest;
- Exercise reasonable care and skill;
- Complete and submit documentation to the lender;
- Disclose what steps were taken to verify information and documentation as part of the application process; and
- Keep the lender informed of the progress of the application.

The brokerage and I will only represent you, the borrower. In this service relationship we have an obligation to represent your best interests at all times. In addition to the duties identified under intermediary, we will:

- Recommend a particular option(s);
- Advocate on your behalf; and
- Provide confidential advice

Our duties to the lender are:

- To be honest; and
- Exercise reasonable care and skill

The brokerage and I will ONLY represent the lender(s) and will treat you, the borrower, as a customer of the lender. In this service relationship, we have an obligation to represent the lenders best interests.

Initial: \_\_\_\_\_

**The products the brokerage and I offer are:**

- Mortgages from a single lender
- Mortgages from multiple lenders

**DEFINITIONS**



“Mortgage broker” means:

- (i) A person who on behalf of another person for consideration or other compensation:
  - a. Solicits a person to borrow or lend money to be secured by a mortgage;
  - b. Negotiates a mortgage transaction;
  - c. Collects mortgage payments and otherwise administers mortgages;
  - d. Buys, sells or exchanges mortgages or offers to do so, or
- (ii) A person who holds out that the person is a person referred to in subclause (i).



Acting as an “intermediary” means providing services by which the interests if the borrower and lender are met in an even handed, objective and impartial manner without providing confidential advice, advocating on behalf of either the borrower or lender, or using discretion or judgement that benefits the borrower or lender to the prejudice of the other.

**PART 2: MORTGAGE BORROWER RELATIONSHIP COMPENSATION DISCLOSURE DOCUMENT**



The following form was developed by the Real Estate Council of Alberta to assist borrowers in understanding how mortgage brokers are compensated.

**My brokerage and I may/will be compensated for this mortgage transaction in the following ways:**

- By way of commission/income or fee paid by the lender
- By way of salary paid by the lender
- By charging you a fee
- By way of renewal commission from the lender if you keep the mortgage loan in force
- By way of commission/income depending on the length of the term or the amount of the mortgage
- Other

**I may/will also receive monies or non-monetary benefits from the lender that include:**

- Additional commission/income based on my volume of business with the lender
- Additional commission/income based on my efficiency with the lender
- Additional commission/income because you are paying a higher rate than otherwise available with this particular lender
- Travel/gifts
- Attendance at seminars or conferences
- Equity shares with the lender
- Other

**Refund of fees. If the brokerage charges you a fee to arrange your mortgage and I am not successful in getting your mortgage approved by a lender you will receive:**

- A full refund of the fees you paid
- No refund
- Not applicable
- Other

Initial:

**What additional fees will you have to pay?**

- None
- An application/placement fee
- Specific fees (e.g. property appraisal, default mortgage insurance, title insurance, legal fees)
- Other

**The brokerage may/will be paying others a portion of the compensation for this mortgage referral:**

- Yes
- No
- Other

*The Real Estate Council of Alberta (RECA) is an independent, non-government agency, responsible for licensing and regulating mortgage brokers in Alberta. If you would like more information about the mortgage brokerage industry and role of mortgage brokers please visit RECA's website at [www.reca.ca](http://www.reca.ca) and click on the consumer portal.*

**PART 3: CONSENT FOR CREDIT CHECK**



I warrant and confirm that the info given in the mortgage application is true and correct and I/We understand that it is being used to determine my/our credit responsibility and to evaluate and respond to my/our request for mortgage financing. You are authorized to obtain any info you may require for these purposes from other sources (including, for example, credit bureaux) and each source is hereby authorized to provide you with such information. I/We also understand, acknowledge and agree that the info given in the application form as well as other info you obtain in relation to my credit history may be disclosed to potential lenders, mortgage insurers or other service providers required in relation to this application and any other parties with whom I/We propose to have a financial relationship.

I/We further acknowledge and agree that each potential mortgage lender, mortgage insurer or service provider to whom you provide the mortgage application and/or my/our personal info is permitted to receive such application and info and maintain records relating to me/us and my/our mortgage application and to hold, use, communicate and disclose personal info about me/us, including my Social Insurance Number(SIN) if I/We provide it, and collect personal info from me/us, you and from third persons, including credit bureaux, credit reporting and collection agencies, financial institutions, my/our past and present employments, creditors and tenants, my/our spouse or any other person who has info about me/us for the purpose of recording, evaluating and responding to my/our application for mortgage financing or related activities and I/We specifically consent to the release and disclosure of personal info by such persons to and among each potential mortgage lender, mortgage insurer or other service provider.

Pursuant to the Real Estate Act, the brokerage is required to maintain the application and credit information for a minimum period of 3 years.

Mortgage Brokerage: Mortgage Success                      Mortgage Broker/Associate's Name: \_\_\_\_\_

Mortgage Broker/Associate's Signature: \_\_\_\_\_

Borrower Name(s): \_\_\_\_\_

Borrower Signature(s): \_\_\_\_\_

Date: \_\_\_\_\_

**Please return the above document to me by:**

**Fax: 1-866-322-0592 or Email: [natalie@youredmontonmortgage.com](mailto:natalie@youredmontonmortgage.com)**

**\*ONLY OPTIONS WITH CHECKMARKS APPLY/MAY APPLY!**