



Government Relations Advocacy Goal

REBGV advocacy will result in an economic and regulatory environment that supports property ownership, sustainable communities and the business of real estate.


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The Open House is published by the
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ORDER OF EXCELLENCE



GOLD RECIPIENT
QUALITY

Help shape legislation governing mortgage brokers

A review of BC's *Mortgage Brokers Act* (MBA) is now underway by the Ministry of Finance.



The MBA was originally enacted in 1972 and covers the registration and regulation of BC Mortgage Brokers. In the intervening 40 years, it has been amended a number of times.

This review is particularly important to the real estate industry. REALTORS® often refer their clients to mortgage brokers to help them get the most competitive rate and terms, including the best repayment options, from lenders.

As part of its review of the MBA, the Ministry has released the *BC Mortgage Brokers Act Discussion Paper* and is asking for suggestions to:

- improve protection for those seeking mortgages so that they are not exposed to unnecessary financial risk;
- improve inefficiencies in the market; and
- ensure the legislation reflects the current mortgage environment.

The discussion paper focuses on key issues including:

- the scope of the MBA;
- whether the profession should be self-regulating and responsible for business practices, licensing, standards, compliance, enforcement and complaint resolution;
- statutory obligations of mortgage brokers and of submortgage brokers;
- whether there should be classes (different types) of mortgage brokers;
- improvements to the cost of borrowing disclosure requirements;

- exemptions from the *Securities Act*;
- licensing and educational requirements;
- trust fund requirements;
- errors and omissions insurance (not currently required); and
- personal service corporations.

BC's 1,450 mortgage brokers are recommending their professional become self-regulating, and are also assessing the possibility of a council-type regulating body.

How REALTORS® can participate

Real Estate Board members are invited and encouraged to participate by answering the questions posed in the discussion paper.

To read the discussion paper, please visit: www.fin.gov.bc.ca/cep/fcsp/pdfs/MBA_Issues_Paper_FINAL.pdf.

The deadline for feedback is February 28, 2013.

Please send your comments in electronic form to: fcsp@gov.bc.ca with a copy to Harriet Permut, Manager, Government Relations at hpermut@rebgv.org.

Note: the Ministry of Finance will be sharing comments it receives with the Registrar of Mortgage Brokers, and possibly others. Even where confidentiality is requested, freedom of information legislation may require the Ministry to make responses available to those requesting access

REALTORS® - Remember no PST on fees

On April 1, 2013 the Harmonized Sales Tax (HST) will cease to exist and the Provincial Sales Tax (PST) will be re-implemented in BC.

This is a reminder that as of April 1, 2013 the 12% HST will no longer be charged on real estate commissions. Instead, only the 5% GST will apply.

This is clarified in *What's taxable under the PST and what's Not* at www.pstinbc.ca. Page six addresses Home Purchases and Real Estate Commissions.

For complete information about the HST/PST new housing transitional rules, the REBGV has prepared a useful, concise fact sheet, *Information about the HST/PST new housing transitional rules*. You can print it so that you have it handy by going to: www.realtorlink.ca. See Important Notices where there is a link to download the fact sheet.

If you have questions, please contact Harriet Permut, Manager, Government Relations, at hpermut@rebgv.org.