
BULLETIN NUMBER: MB 10-001

TITLE: USE AND PROTECTION OF CLIENT INFORMATION

LEGISLATION: MORTGAGE BROKERS ACT

DATE: JANUARY 26, 2010

The Registrar's staff have received several enquiries and complaints from both mortgage broker registrants and members of the public concerning the protection, use and transfer of confidential client information. The following requirements clarify the obligations of mortgage brokers and submortgage brokers in dealing with client information. In addition, mortgage broker registrants may wish to consult the websites of the Office of the Information and Privacy Commissioner for British Columbia at <http://www.oipcbc.org/> and the Office of the Privacy Commission of Canada at <http://www.priv.gc.ca/> for further information and requirements of other statutes.

1. In addition to the requirements of relevant legislation on the protection and privacy of personal information, a mortgage broker must not disclose information regarding a client or a transaction to another person unless the disclosure has been authorized by the client or the disclosure is required by law.
2. Mortgage brokers and submortgage brokers must take reasonable steps to ensure that client information is kept safe from access by persons who are not authorized by the client to have the information unless such access is required by law.
3. When a client terminates the services of a mortgage broker and subsequently retains an alternate mortgage broker, the terminated mortgage broker must, upon receiving a written client authorization to transfer documents, cooperate with the newly retained mortgage broker by transferring all original client documents, such as original income tax documents, and copies of other relevant file contents, such as mortgage applications and commitments, to the newly retained mortgage broker. The terminated mortgage broker must keep a copy of the transfer authorization from the client.

4. A submortgage broker who transfers his or her registration from one mortgage broker to another must not make use of client information obtained in the course of his or her registration with the former mortgage broker unless the new mortgage broker, to whom the submortgage broker is registered, has obtained consent from the client to use such information.

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*, and Regulations and the *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.