

**BULLETIN NUMBER:** MB 10-004

**TITLE:** MORTGAGE LEAD GENERATION:  
REQUIREMENT FOR MORTGAGE BROKER  
REGISTRATION

**LEGISLATION:** MORTGAGE BROKERS ACT

**DATE:** JUNE 2010

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Mortgage lead generation involves an entity or individual gathering lists of potential mortgage borrowers, who are considered to be “mortgage leads”. The lists of mortgage leads are then sold to mortgage brokers, who may contact the individual leads for the purpose of attempting to arrange mortgage financing for them.

The lists of potential mortgage borrowers are often generated through the internet by setting up a website which may provide mortgage information or mortgage advice and providing a simple form of mortgage application. The application data is gathered by the mortgage lead generator and then forwarded to the mortgage broker. Mortgage leads may also be generated over the telephone by telemarketers contacting persons and enquiring about their interest in obtaining a new mortgage or refinancing a current mortgage, in addition to gathering personal and financial information from the potential borrower.

Mortgage lead generation is a specific activity which is part of the mortgage arranging process. The Registrar of Mortgage Brokers interprets the phrase “arranging mortgages” to include any essential activity which is part of the process of a borrower obtaining a mortgage from a lender. An individual begins the process of arranging a mortgage from the time they begin to communicate with a prospective borrower about mortgages.

Specific activities which are part of the mortgage arranging process include:

- Engaging in the business of soliciting borrowers for the purpose of mortgage referrals, including engaging in the business of offering mortgage lead generation services by gathering the names of potential mortgage borrowers and providing lists of those potential borrowers to mortgage brokers;
- Taking mortgage applications, including simple applications which may be used by mortgage lead generators to collect borrower data or gathering application information through the telephone or other telecommunication mediums; and
- Explaining mortgage terms and options, including the provision of simple mortgage information or advice on websites intended to attract potential mortgage borrowers.

Any individual who arranges a mortgage or mortgages and either directly or indirectly receives fees or any other consideration exceeding \$1,000 in any one year for arranging a mortgage or mortgages must obtain mortgage broker registration under the *Mortgage Brokers Act*.

Therefore, an individual will require mortgage broker registration if he or she:

- Engages in any mortgage arranging activities; and
- Receives \$1,000 or more in any one year for arranging mortgages.

Information on mortgage broker registration can be obtained from the Financial Institutions Commission website at [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca) or by calling 604-953-5300.

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.