CMP

Canadian Mortgage Professional

MORTGAGEBROKERNEWS.CA
ISSUE 13.03

SUCCESSFUL COMMERCIALDEALS
The one skill brokers need to sharpen to get deals funded in the commercial space

LEADING ALTERNATIVE BROKERS
How they found success by helping the growing number of borrowers rejected by banks

FOREIGN BUYERS UNDER FIRE AGAIN
BC is increasing its tax on overseas investors – but what effect will it really have?

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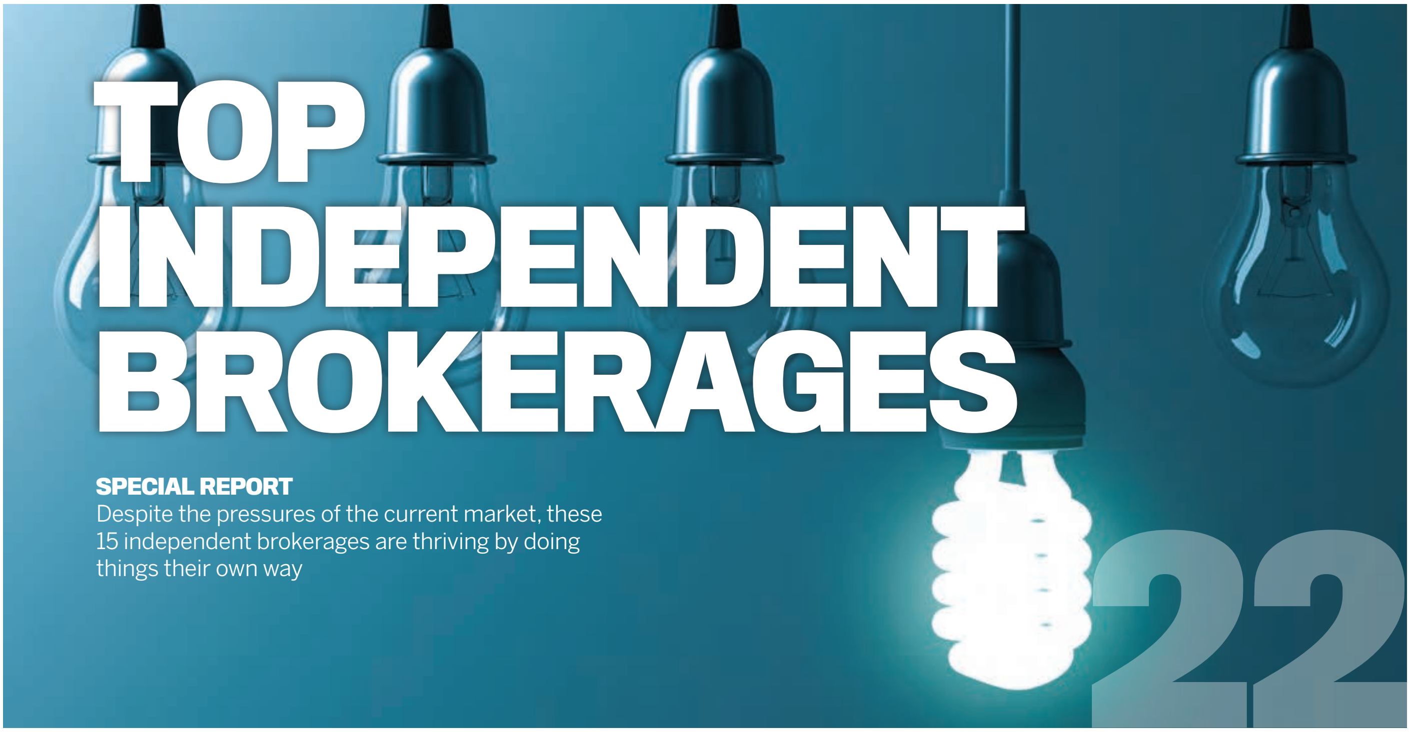

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BRUISED CREDIT
BUSINESS FOR SELF
THIN OR NO CREDIT

EDITORIAL

Are foreign buyers just a scapegoat?

Foreign purchasers of real estate in Canada take a lot of heat because they're perceived as the reason homeownership has become unaffordable for most Canadians – but the truth is that they comprise a small percentage of the buying market, and therefore have a negligible impact on pricing. While money from overseas (predominantly China) is doubtless being parked in Canadian real estate as an insurance policy, is it really driving up housing prices here? Brokers *CMP* spoke to unanimously said no.

When Vancouver first introduced its foreign buyer tax, one broker told *CMP* that foreign buyers were responding by purchasing commercial real estate instead. While it might be perceived as exploiting a tax loophole, there's been nary a complaint about foreign buyers from the commercial sector. Commercial properties are also leaps and bounds more valuable than residential ones.

> Given that housing supply is interminably low and demand is surging, it follows then that prices will escalate

Meanwhile, a private lender – whose business has absolutely exploded since January 1 – told CMP that he believes the real blame for exorbitant residential real estate prices in Canada lies with avaricious homebuilders who had no qualms about raising their products' price points.

Yet another very prominent Toronto broker claims that blaming foreigners for driving up real estate prices is easy to do without working knowledge of the real estate industry – including the very salient fact that new real estate developments are approved at a snail's pace. Toronto and Vancouver routinely deliver fewer units than the annual baseline required to support their growing populations and to quell demand. Given that housing supply is interminably low – as reflected in both cities' dangerously low rental vacancy rates – and demand is surging, it follows then that prices will escalate.

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STATISTICS

Asleep at the switch

Who needs to hunt for a better mortgage deal? Not Canadians ... or so they think

WHILE BORROWERS in some countries are particularly proactive about switching mortgage products in the quest for a better deal, a recent HSBC survey found that homeowners in the Great White North are much more likely to stay put. Fifty-five per cent of mortgage holders worldwide are willing to change lenders in pursuit of a better deal or more competitive rate, but only one in three Canadians feel compelled to refinance for such reasons.

Perhaps part of their reluctance to hunt for a deal is the fact that 78% of Canada's mortgage holders have not experienced a rate rise in the lifetime of their loan. Yet the fact that 20% of homeowners would struggle to make their payments if confronted with an interest-rate rise as small as 2% suggests that more Canadians should be shopping around, particularly as ultra-low rates become a thing of the past.

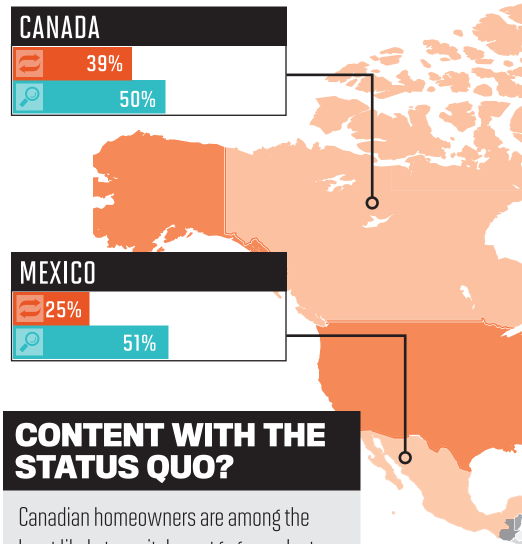
78%
Canadian mortgage holders who have never experienced an interest-rate rise

55%
Mortgage holders globally who have switched lenders to get a better deal

36%
Average proportion of monthly income Canadians spend on mortgage payments

37%
Prospective Canadian buyers who are willing to stretch financially to buy a house

Source: Beyond the Bricks: The Value of Home, HSBC, January 2018



CONTENT WITH THE STATUS QUO?

Canadian homeowners are among the least likely to switch mortgage products: While 44% of mortgage holders across the globe have switched lenders, only 39% of Canadians have done so. Half of all Canadians have shopped around for a better deal – but again, that figure is among the lowest of all countries surveyed.

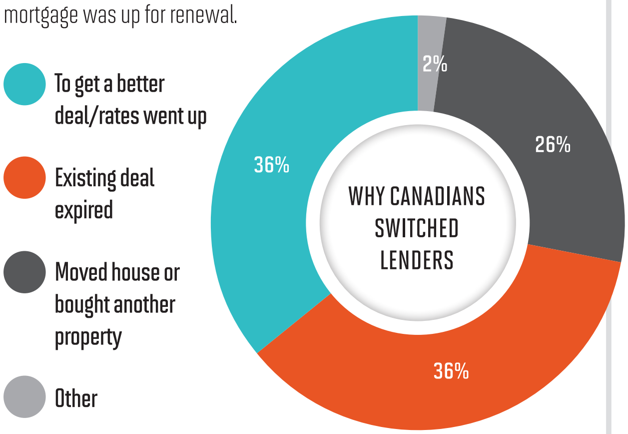
KEY

Mortgage holders who have switched providers

Mortgage holders who have looked into switching

WHY SWITCH?

Roughly a third of Canadian mortgage holders who switched lenders did so to get a better deal, but an equal number did so simply because their mortgage was up for renewal.

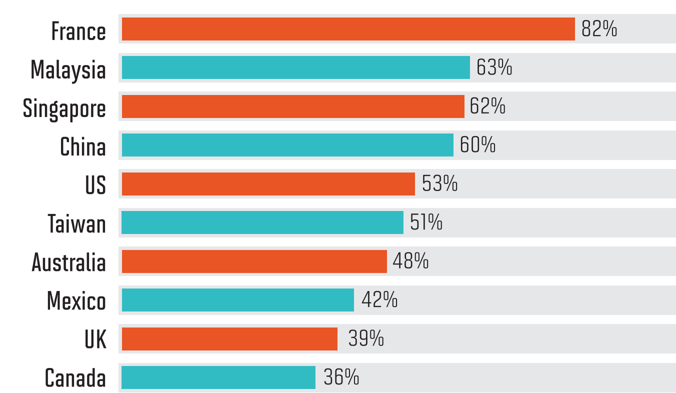


Source: Beyond the Bricks: The Value of Home, HSBC, January 2018

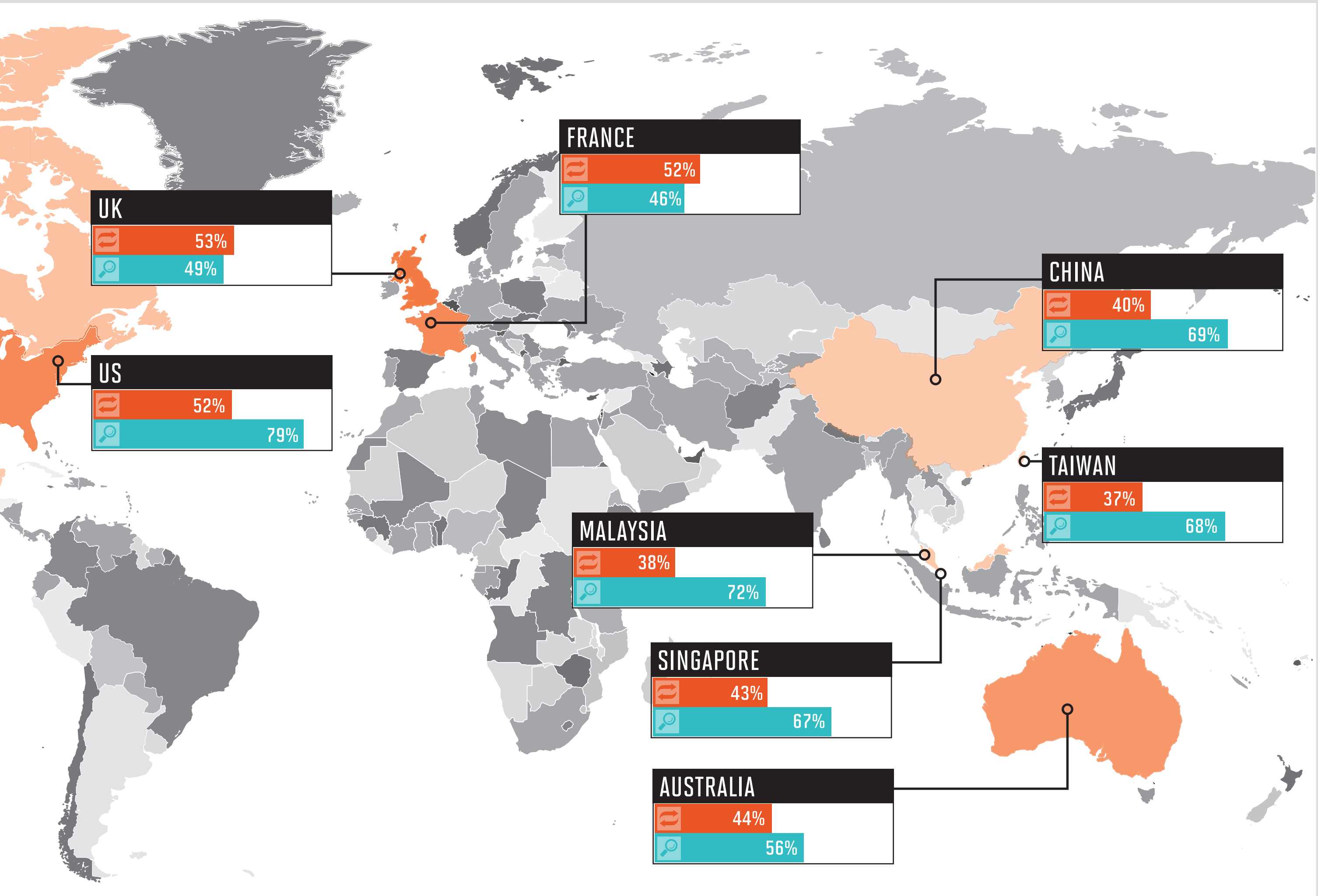
DEAL OR NO DEAL?

The proportion of mortgage holders who have changed lenders specifically to get a better deal is far lower in Canada than in many comparable countries.

PERCENTAGE OF HOMEOWNERS WHO SWITCHED LENDERS TO GET A BETTER DEAL



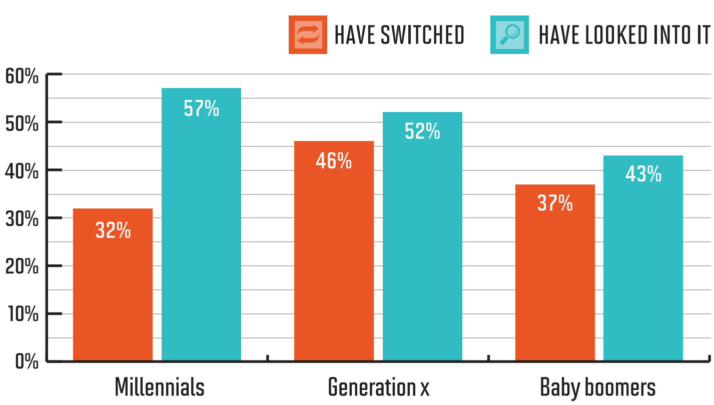
Source: Beyond the Bricks: The Value of Home, HSBC, January 2018



Source: Beyond the Bricks: The Value of Home, HSBC, January 2018

MOST LIKELY TO CHANGE COURSE

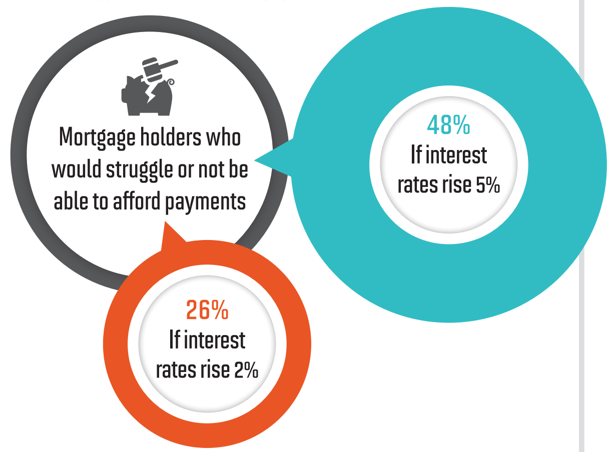
Of all age groups in Canada, millennials are the most inclined to shop around for a better deal on their mortgage; however, gen x-ers are by far the most likely to have actually pulled the trigger.



Source: Beyond the Bricks: The Value of Home, HSBC, January 2018

THE FEAR OF RISING RATES

Despite their disinclination to hunt for a better deal, many Canadians would struggle to pay their mortgages if rates continue to rise.



Source: Beyond the Bricks: The Value of Home, HSBC, January 2018

HEAD TO HEAD

Do you foresee a ban on foreign buyers?

Could Canada follow in the footsteps of other in-demand markets and close the door to foreign investors completely?

Andrew Carros
Partner and sales advisor
Engel & Völkers Vancouver

"I don't believe Vancouver will ban international buyers. The government has already implemented a tax on non-resident buyers, and this is enough.

We are a mosaic of various cultures. I work with people from all over the world looking for a better life in Vancouver. Welcoming other cultures through immigration is what makes Canada so special. Vancouver, in particular, is a safe and beautiful city to live in, surrounded by nature – and therefore it is a desired location for people to settle with their families. Disallowing foreign ownership would be contrary to the principles our country was built on."

Terrilyn Moore
Mortgage broker
Your Mortgage Your Way – The Mortgage Centre

"No, I can't see a ban happening. It's just not necessary … the latest housing statistics show that foreign ownership comprises a small percentage of residential property ownership – less than 5%.

Many factors will naturally keep foreign ownership at bay, including [Toronto's] 15% foreign buyer's tax, double land-transfer taxes in Toronto and Vancouver, the new stress test rules, and many lenders scrutinizing their own foreign buyer mortgage qualification policies.

The rules of supply and demand are the main reason housing prices keep rising, not an influx of foreign buyers."

Jennifer Cameron
Sales representative
The Cameron Team

"Ontario's Ministry of Finance indicates that foreign buyers contributed to 7.1% of purchases in the city of Toronto and 4.7% in the Greater Toronto Area. To impose a nationwide ban when the foreign buying is fairly insignificant would be a big mistake. Foreign buyers are not the problem.

To discriminate against foreign buyers sends a clear message that Canada is closed to foreign investment. It could trigger more of a correction than desired, given that approximately 66% of Canadians are homeowners. The government's unwarranted interference could directly hurt the market and Canadians' greatest asset: their property."

NEW ZEALAND LEADS THE WAY

A ban on foreign buyers is working its way through parliament in New Zealand, which, following a recent spike in real estate prices in its largest city, has been ranked by public policy firm Demographia as the fourth least affordable housing market in the world. A report from *The Economist* attributed this to the trend of "a growing horde of rich foreigners" buying up available properties. Late last year, newly elected prime minister Jacinda Ardern announced her intention to ban foreign buyers who reside outside the country from purchasing existing property, saying: "We are determined to make it easier for Kiwis to buy their first home, so we are stopping foreign speculators buying houses and driving up prices. Kiwis should not be outbid like this."

NEWS ANALYSIS

Following BC's lead?

British Columbia's provincial government has introduced more measures to prevent foreign buyers from driving up the cost of real estate, and Toronto will undoubtedly be watching to see what happens

THE BRITISH COLUMBIA government's latest budget took aim at foreign buyers and speculators, the latter of whom will be slapped with a new tax. The new budget raises the existing foreign buyer tax from 15% to 20%, and adds an extra speculation tax (starting at 0.5% this year and rising to 2% in 2019) to be levied on homes that remain vacant. The tax has also been extended from Metro Vancouver to Nanaimo, Fraser Valley, Kelowna and the Capital Regional Districts, and the NDP government left the door open for the tax to be applied to other parts of the province as well.

As with most recent government intervention, mortgage brokers are not only circumspect, they're experiencing the usual dread and déjà vu. Brokers in Canada's largest city expect a flurry of foreign buyer activity now that Vancouver has implemented the taxes. But Toronto already has a 15% foreign buyer tax, which hasn't done as much as expected to curb foreign buyer activity, and while brokers may capitalize on BC's rejection of foreign capital in the interim, it shouldn't be long until that gives way to trepidation over similar taxes being introduced in Toronto.

Toronto-based broker Lois Volk is preparing for a spike in foreign buyer activity, especially since the tax introduced last year didn't completely keep foreign money out of the GTA housing market. "The foreign buyer tax in Toronto hasn't stopped them," Volk says. "Unless Toronto follows suit, it would make sense that the buyers would come here."

She also sympathizes with Canadians' misgivings about allowing foreign money to flood their country's real estate market. "I can understand the resistance to people buying properties just to park their money because it does take homes out of the market, and a lot of them aren't being rented," Volk says. "In areas with housing shortages and high rents, it will aggravate the problem."

"Unless Toronto follows suit, it would make sense that the [foreign] buyers would come here"

Lois Volk, Invis

However, if Ontario follows BC's lead, it might want to give an equal amount of attention to what the province's NDP government did haphazardly. The new speculation tax applies not just to overseas buyers, but also to out-of-province Canadians, many of whom vacation on the West Coast. An exemption exists for principal residences and properties with long-term renters, but in the opinion of Mortgage Advantage broker Robert Mogensen, the government's handling of the tax has been a debacle.

"I think if Canadian residents own vacation properties in BC, they should be exempt from that rule," Mogensen says. "I think it's ridiculous. I have a number of clients for whom I've done mortgages for bona fide vacation properties that are nothing more than that, and they shouldn't fall under the same group as people who are buying condos to flip. That doesn't make any sense."

Mogensen puts the decisions down to the NDP government's lack of experience. "I

A TIMELINE OF FOREIGN BUYER TAXES

August 2016
The BC government introduces a 15% foreign buyer tax on Vancouver properties

October 2016
Greater Vancouver sales fall 38.8% year-over-year; the composite benchmark price for residential properties falls 1.5% over two months to $919,300

April 2017
The Ontario government introduces a 15% foreign buyer tax on Toronto properties

July 2017
Sales in the GTA fall 40.4% year-over-year; average prices are up only 5% year-over-year

January 2018
Greater Vancouver sales are up 19.4% year-over-year; the composite benchmark price for residential properties is $1.06 million

February 2018
BC government increases foreign buyer tax to 20% and introduces a 2% speculation tax

Sources: Greater Vancouver Real Estate Board, Toronto Real Estate Board

think [the provincial government is] definitely in unchartered, unfamiliar territory," he says, "given that they haven't governed for over 16 years, and you have people in positions making these decisions who have no point of reference whatsoever for what they're doing and what the impact of these changes will be, so I think a lot of this is window dressing. The effects of these decisions have not been well thought through."

> "I think the people who are only looking for a place to park their capital in Canada won't care if it's Vancouver or Toronto"
> **Robert Mogensen, The Mortgage Advantage**

And the question remains as to whether the tax will even work; Mogensen is skeptical. "I'd have to go with a gut feeling that it may affect 50% of these foreign buyers who have the intention of living here," he says, "and for the other 50% who are just parking money, the 5% will become a cost of doing business for them. I don't think it will be big, and I think the people who are only looking for a place to park their capital in Canada won't care if it's Vancouver or Toronto, so that portion of the money may end up going outside BC."

If the tax is effective, it could be a silver lining for first-time homebuyers, who have been hit hard over the last few years, by making entry-level housing more affordable.

In addition to the BC government's latest measures, CIBC recently decided to level the playing field between domestic and foreign buyers by requiring the latter to adhere to OSFI's B-20 guidelines. As of February, the chartered bank has discontinued its Foreign Income Program, which allowed foreign buyers to qualify for uninsured mortgages with a 35% deposit. Maybe the government won't have to come up with all the solutions after all. CMP

ALTERNATIVE LENDING UPDATE

NEWS BRIEFS

CSA announces new regulations for syndicated mortgages

The Canadian Securities Administrators recently introduced several changes to syndicated mortgage rules aimed at better protecting investors. The CSA wants to remove exemptions that allow the investments to be sold in certain areas without registering with regulators or filing a prospectus. The regulatory revisions would also require an appraisal by an independent, appraiser of the property to be mortgaged, along with tightened disclosure requirements. These changes are intended to "enhance investors' ability to make informed decisions when purchasing these investments," CSA chair and president Louis Morisset told CBC News.

Home Capital could fully repay deposit notes soon

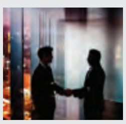
After several months on the edge, Home Capital Group is likely to fully repay $475 million worth of institutional deposit notes that will come due starting in March by tapping into $4.7 billion of liquidity, according to RBC Capital Markets. "We're comfortable they can address their short-term debt with existing sources of liquidity," portfolio manager Darren Arrowsmith said. "I'm not sure exactly when they return to the debt market for funding, but they have made great headway in repairing their credibility and are undoubtedly working with banks to replace the existing credit line."

S&P lowers key risk assessment for major banks

In late February, S&P Global Ratings lowered its economic risk assessment of major Canadian banks to 3 out of 10 amid concerns about residential mortgage fraud at smaller Canadian lenders. The organization said high housing prices and debt loads are increasing incentives for fraudulent activity. S&P also cited the growing share of mortgages being originated by brokers who don't bear credit risk for the loans. "Given this, we expect more evidence of fraud" in Canada's residential mortgage space, S&P said.

Home Capital's income rises in the fourth quarter of 2017

Beleaguered alternative lender Home Capital Group saw its net income rise by 2.1% to $30 million during the last three months of 2017 from a quarter prior, according to the company's latest earnings reports. Home Capital saw the value of total loans decline 2.4% from the previous quarter to $15.06 billion, but total mortgages originated more than doubled over that same period to reach $872.1 million. "We have demonstrated progress towards growing our residential and commercial business lines to more normal and sustainable levels, and our employees delivered improved service," said Home Capital president and CEO Yousry Bissada.



Mortgage Company of Canada appoints new president

In early March, Toronto-based mortgage investment corporation Mortgage Company of Canada announced the appointment of Faheem Tejani as its new president. Since 2000, Tejani has been with BMO Capital Markets, where he provided growth and financing strategies to corporations globally and raised more than $15 billion, including for companies operating in the financial services industry in Canada. "His proven capital markets expertise and relationships will be important additions to the company as we continue to grow in the alternative lending market," said Mortgage Company of Canada founder and CEO Raj Babber.

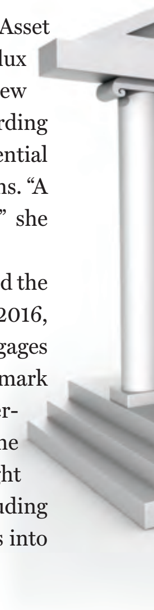
Denials increase in the wake of B-20

The new stress test has intensified borrowers' struggles and sent even more of them into the alternative space

Since Canada's banking regulator imposed a new stress test for homebuyers who don't need mortgage insurance at the beginning of the year, mortgage brokers are reporting that the borrower rejection rate from large banks and traditional monoline mortgage lenders has gone up by as much as 20%. Accordingly, alternative lenders have reported an uptick in business as brokers increasingly direct buyers toward borrowing options that are beyond the reach of the Office of the Superintendent of Financial Institutions, including private lenders, mortgage investment corporations and credit unions.

Victoria-based private lender Fisgard Asset Management Corporation has seen an influx of "better-quality business" since the new rules went into effect on January 1, according to Hali Noble, Fisgard's SVP of residential mortgage investments and broker relations. "A lot of these people should be bankable," she says, "but they're not."

The revised B-20 guidelines augmented the stress test that was instituted in October 2016, which required those with insured mortgages to qualify at the Bank of Canada's benchmark five-year mortgage rate. OSFI Superintendent Jeremy Rudin has said that the regulator is aware the stricter rules might have unintended consequences, including sending a higher proportion of borrowers into the alternative and private channels.



"We can't control what we can't control," Rudin said in October. "Our mandate is focused on the safety and soundness of the federally regulated institutions ... It isn't something that we favour, but it isn't something that we have an authority to prevent."

Since OSFI's revised mortgage guidelines came into force, the Bank of Canada raised rates again by 0.25%, dealing a "double extra whammy" to borrowers, says Dave Teixeira, VP of operations, public relations and communications for Dominion Lending Centres.

> "A lot of these people should be bankable, but they're not"

Teixeira reports that DLC mortgage brokers are seeing a higher rate of rejections and are submitting multiple applications to various institutions before finding a lender that works. Teixeira estimates brokers are submitting around 80% more applications than they were last year.

"Normally, we would see our volume going to the big banks and monolines," Teixeira says, "and now we're seeing a little bit more of that, roughly up to 20% ... moving over to credit unions."

Lisa Abbatangelo
Vice-president, mortgage operations
COMMUNITY TRUST

Years in the industry
32+

Fast fact
Abbatangelo oversees Community Trust's residential mortgage, residential mortgage retention and mortgage servicing departments

Q&A

Community Trust fills the void

How are Community Trust's alternative mortgage products designed to help Canadians?

We pride ourselves on structuring products that accommodate Canadians with diverse needs. In some instances, that means working with a client with bruised credit. In others, it means considering alternative sources of income, such as rental income or child tax credits, or collaborating with a newcomer to Canada who is still building domestic credibility.

By practicing agility and flexibility – not only in the development of our products, but also in our verification methods – we're able to help Canadians participate in the market.

What are the most important challenges your clients struggle with, and how do your offerings help them overcome these challenges?

Our clients face a myriad of challenges. These include blemishes on their credit history, inability to provide traditional verification documents – a particular struggle for business-for-self clients – and any other means by which these clients do not fit the more rigid conventional lending mold. Whatever the case, we make an effort to find solutions based on what clients do have in their favour, not what they are lacking.

How have your alternative offerings affected your clients' purchasing decisions?

Our offerings affect clients' purchasing decisions profoundly by giving them the opportunity to make that decision in the first place. Our clients often find themselves in a position where they're being excluded from the market. By working with them to find a solution, we're allowing them to purchase and invest in a way they may not be able to otherwise.

Not only does this meet their immediate needs, but it also allows them the time and occasion to repair and re-establish credibility so that they can continue to make responsible financing decisions in the long term.

Taking into account a national market that is increasingly being defined by stricter rules and higher interest rates, what industry developments do you think brokers and their clients should look out for in the next few months?

In the wake of the new B-20 regulations and the heightened emphasis on stress and affordability, it will be more important than ever that clients practice careful consideration when making purchasing and investment decisions. In light of this, we expect that the role of mortgage brokers cannot be understated. As experts in the field who are intimately acquainted with these new regulations and their impact on clients, we anticipate a growing dependence on their knowledge and understanding. In the coming months, clients may be served well to rely on broker expertise in order to educate and safeguard themselves in the post-B-20 world.

COMMERCIAL UPDATE

This year's commercial real estate hotspots

Toronto and Vancouver will once again lead the pack in Canada's commercial sector in 2018


Toronto and Vancouver are set to see high demand again in 2018

In its 2018 market outlook released in February, commercial real estate firm Morguard Corporation painted a confident picture of robust activity in the Canadian commercial real estate segment, fuelled by a healthy demand for quality assets.

"Investors remain enthusiastic about the Canadian commercial real estate market after a record volume of transactions in 2017," said Morguard director of research Keith Reading. "There is a high supply of capital ready to be invested, and Canadian commercial real estate is a proven performer. We are predicting another very busy and competitive market environment across the country in the coming year."

Morguard expects the downtown cores and suburbs of Vancouver and Toronto to remain the most desired investment destinations in 2018. "Intense bidding for a limited pool of downtown properties [in Toronto and Vancouver] will force investors to look elsewhere for opportunity," the report said. "Class A properties in suburban markets, particularly those near transit nodes, will be in high demand."

The firm also expects both Ottawa and Montreal to experience considerable activity in 2018, particularly in the retail sector. "Sustained progress is forecast for the Greater Ottawa Area retail sector over the near term, in keeping with the recent trend," the report said. "[In Montreal], a positive performance-driver outlook is indicative of continued progression in the retail sector over the near term. Sustained economic growth and job-market progress will continue to drive retail sales and expansion activity."

"There is a high supply of capital ready to be invested, and Canadian commercial real estate is a proven performer"

And after several years of relatively sluggish activity, Alberta's commercial real estate market is expected to bounce back in 2018, thanks in large part to the ongoing recovery of the oil sector.

"Calgary will see increased activity as investors look for high-quality assets in a recovering market and economy," Morguard said. "Calgary's retail sector is expected to benefit from a healthier demand-driver performance over the near term … The resulting employment and wage growth will support rising levels of retail spending."

NEWS BRIEFS

Canadian commercial sector sets new record

According to a recent report from CBRE, the Canadian commercial real estate market set another record for investments in 2017, taking in more than $43.1 billion last year. This surpassed the $34.7 billion invested in 2016, and CBRE is predicting another record in 2018. Strong tenant demand, coupled with declining vacancy rates that are at or near all-time lows in many cities, will lead to increases in rental rates. "Investors are not shying away from Canadian commercial real estate," said CBRE Canada's Paul Morassutti.

Toronto continues to be an investment magnet

A new report from Altus Group reveals that the Toronto region posted its seventh year of record commercial property sales in 2017. Sales of investment properties in Canada's biggest city surged 38% to $23.5 billion last year. A booming tech and financial sector sent the city's unemployment rate to 4.3% in December, down from 5.5% a year ago. "You're going to see large global companies wanting to position themselves in Toronto," Altus CEO Robert Courteau told Bloomberg.

Brennan Wood
Broker
FOUNDRY MORTGAGE CAPITAL

Years in the tech industry
10+

Fast fact
Wood organized and participated in the Toronto Real Estate Rumble last November

Q&A

Industrial diversity attracts commercial capital

What's your take on the current situation in the commercial segment?
Last year was characterized by high levels of activity, and the robustness is so far appearing to continue this year. We do a lot of construction financing, and we had a lot of projects with units sold last year that are undergoing construction in 2018. There's also quite a bit of activity in the office segment right now, especially in the GTA industrial space. Nationally, I think Alberta is making a clear comeback; lenders have become more interested in lending to Alberta.

What makes some metropolitan markets more attractive than others?
The more intensification you have in an urban area, the more choices people have in terms of offices, industrial space or rental properties. Markets that have a wide range of industries, like Toronto and Montreal, tend to catch the eye of institutional investors with funds such as pensions or overseas funds. More than any other factor, a diverse industrial base is what makes a market particularly attractive.

How can people take advantage of this diversity?
Owners could lease space to these different industries and ventures. I had one client with an industrial building – in the fringe of the GTA, bought fairly cheaply – who was leasing out space for storage of fine art. There's currently a large wealthy population in Toronto, and dealing in this asset class is something that not many people have thought about yet. There's also an abundance of tech companies starting up and growing in Waterloo, and these ventures need properly furnished spaces to house their employees and operations.

Essentially the opposite situation can be seen in markets that are heavily dependent on just one industry, such as oil and the Alberta of years past. Even though the province is already recovering, office vacancy in Calgary is still very high. Thus, the lesson is that the more diverse the market, the better it is for both commercial property owners and investors.

What are the most significant challenges your clients face?
A lot of our clients are experiencing prolonged development horizons, with some being as much as two years behind schedule. It's shocking. Many developers are also undertaking projects that have a level of pushback in their respective communities, and that introduces uncertainty. These problems tend to stem from zoning permit issues and tortuous dealings with city governments, which I'd say are the biggest challenges as far as the commercial segment is concerned.

Considering these market realities, what advice do you provide to your clients?
They definitely should keep some cash available in case of a delay; the extra funds will help in softening the impact of a longer development timeline. They should also understand that there is uncertainty in terms of zoning.

Fewer hotel mega-deals expected in 2018

Hotel deals in Canada will stay strong but are expected to slip from the near-record levels of the past two years, according to CBRE. High demand for stable assets in major markets will continue to drive transaction volume, but hotel investments are projected to total just $3 billion in 2018, down from $3.4 billion and $4.1 billion in 2017 and 2016, respectively. CBRE Hotels EVP Bill Stone told Bloomberg that he expects the sector to shift away from mega-deals to "individual and small-portfolio sales."

Cannabis producers to fuel commercial demand

According to a report from Jones Lang LaSalle Canada, the legalization of recreational marijuana will only add to the already red-hot demand in Canada's commercial and industrial spaces. The country's eight biggest cannabis companies will require more than 8 million square feet of space for growing marijuana by 2020, up more than five-fold from current levels, the study said. Quebec became the first large province to capitalize on the trend when it signed supply agreements with six licensed cannabis producers in February.

Vancouver industrial demand outpaces supply

A noticeable lack of available industrial space in Vancouver is pushing businesses and jobs into other provinces, according to analysts. Despite an array of speculation-powered construction, the rate of demand is still vastly outstripping the city's supply by more than a million square feet a month. At just 2.3%, the rate of available industrial space in Vancouver is second only to Toronto, which has the least proportion of available commercial/industrial space in North America at 2.2%.

OPINION

Approaching rock bottom?

Ten years after the financial crisis, the government's appetite for mortgage regulation shows few signs of waning, writes **Ryan LaHaye**

SINCE THE financial crisis of 2008, we have seen mortgage regulations tighten almost every year. Have we turned the corner? The simple answer is no.

Regulators and politicians keep repeating the same talking points. "The taxpayer is exposed – we need to regulate to reduce risk" or "If we don't want what happened in the US to happen to Canadians, we need to regulate the mortgage industry." But do we really? Have regulators and politicians lost touch with reality?

If we take a quick look at regulation surrounding capital requirements for insurers, one could easily ask the question: Are we regulating the mortgage industry or just a segment of the mortgage industry? And are consumers and taxpayers better off today than they were prior to the recent wave of regulations?

CMHC's recent suggestion that it might loosen guidelines for new immigrants and self -employed individuals was like bringing a glass of water to an industry that has been wandering in the desert for a while now. The problem is that sometimes when you're that thirsty, you'll drink just about anything to quench your thirst.

The CMHC announcement was vague, and quite frankly, it's difficult to see how exactly they will implement such change. Going back to the Alt-A programs of the past is certainly not an option, as it goes against the government's ongoing quest to collect more income taxes. Bringing back a program that basically allows a self-employed individual to minimize taxable revenues and still qualify for a home seems archaic at this point. Allowing new immigrants more flexible guidelines would certainly be welcomed; however, the percentage of market share this segment occupies is negligible.

Since the beginning of 2017, the broker channel has struggled to remain rate-competitive in the conventional mortgage space. This is especially true for mortgage refinancing, as the 'non-insurable' category for lenders that do not have access to balance-sheet funds became costlier. Monoline lenders such as First National, MCAP and Merix struggled for most of 2017 to find a way to access balance-sheet funds (if any) and regain competitiveness in this market.

Some positive developments have arisen in recent weeks, as a few pilot projects have been launched across the country with more competitive rates and conditions, but funds are hard to come by, and the river might run dry very quickly.

The mortgage industry continues to fight and represent its point of view to government regulators and policymakers, but it remains to be seen if any significant changes will follow that might allow non-balance-sheet lenders to regain their edge.

An industry with less competition is never a positive thing for consumers. Vigorous competition with fair and strict regulation is always a winning formula and is certainly welcomed by anyone working in the mortgage industry. Regulators have certainly taken the 'strict' part of this equation to heart. It remains to be seen if 2018 will be the year when we all come back to an equal playing field.

Canada could once boast that property accessibility for Canadians was its shining jewel when compared to other developed nations. Low arrears, strong underwriting and controlled risk have always been key elements that Canada could be proud of when showcasing its mortgage and real estate market. I fear that in attempting to regulate, we have lost touch with realities on the ground.

> "Canada could once boast that property accessibility for Canadians was its shining jewel when compared to other developed nations … I fear that in attempting to regulate, we have lost touch with realities on the ground"

A good measure of any society is the facility of upward mobility that allows the weakest among us to thrive. One positive announcement from the CMHC does not erase the continuous tightening of the mortgage industry. Sometimes you have to hit rock bottom before rising again. Hopefully that moment is fast approaching. CMP

A mortgage broker since 2006 and director of RLH Mortgages – PlaniPrêt, **Ryan La Haye** is one of Quebec's top mortgage brokers in terms of volume and units.

INDUSTRY ICON

TAKING THE INDUSTRY BY STORM

Chris Humeniuk brought a wealth of experience to Community Trust, turning it into a major player. He's not done yet

THE MORTGAGE industry has endured its share of tribulations over the past decade – which makes it all the more remarkable when an organization can not only emerge as a stronger version of itself, but also substantially increase revenues. That's exactly what Community Trust has done under the tutelage of Chris Humeniuk.

Humeniuk joined Community Trust's board of governors in 2009; a year later, the board decided the organization needed to recalibrate its strategic direction. As part of that new direction, Humeniuk was named president, and it was also agreed that when the current CEO's tenure ended, Humeniuk would assume that role, too.

"We wanted to shift away from being a niche commercial lender to a more diverse lender," Humeniuk says. "Our single-family residential program was developed in 2011 and launched in 2012. We shifted the risk profile of our commercial portfolio, and we have expanded our off-balance-sheet strategies to diversify our revenue stream."

When Humeniuk joined Community Trust, the company had $180 million in assets and only $30 million in assets under administration; today, Community Trust has $1 billion in assets and another $2 billion in assets under administration. Moreover, under Humeniuk's leadership, Community Trust has grown from 24 employees to 110 – and he believes there's still room to grow.

To understand Community Trust's growth trajectory, one needs look no further than Humeniuk himself. In 1997, he joined a mortgage banking firm called Canada ICI before becoming a founding partner in Canadian Mortgage Strategies and Investments, a company that grew to a national presence with offices in Vancouver, Toronto, Montreal and Edmonton. Humeniuk helped CMSI underwrite and originate $1.2 billion in commercial mortgages.

"I was very fortunate in '97 to join a firm that, although the agency relationship was with the borrower, they were very strong believers in developing, maintaining and respecting relationships with lenders," Humeniuk says. "At the time I learned to see the world through the lenders' eyes, even though I wasn't a lender. I think that lesson served me well while I was a broker at Canada ICI and then as a managing partner of CMSI, and that phase of my career very much built on that premise.

"By maintaining positive relationships with the commercial lending community, we were able to establish and maintain a very successful commercial mortgage banking practice," he continues. "We learned that being short-sighted and trying to push through a deal that was substandard and not being transparent with our lending partners would affect us tremendously. The long game was understanding lenders' risk appetite and finding deals that fulfilled their appetite. As we built that relationship, we built trust in each other – and trust is imperative in a lender-broker relationship. As a lender today, that hasn't changed. We aim to help [brokers] grow their business in kind."

> "Our growing market share shows we've been able to build strong working relationships with the broker community that have been mutually beneficial – and if this is our coming-out year, so be it"

PROFILE

Name: Chris Humeniuk
Company: Community Trust
Title: President and CEO
Based in: Toronto

Years in the industry: 22

Career highlight: "Growing Community Trust from $180 million in assets and $30 million in assets under administration to over $3 billion in total assets."

Career lowlight: "The financial crisis of 2008–09. It was a challenging time, and you learn a lot about yourself, your firm and your partners. I learned a lot coming out of it."

INDUSTRY ICON

Reaching residential borrowers

While commercial mortgages are Community Trust's bread and butter, the company is making a major splash in the residential space. It also launched a mortgage securitization program in 2015 and expanded its trustee program for registered accounts of self-directed investors, who can choose to invest in syndicated mortgages or MICs. In the wake of mounting mortgage regulations, this is a growing segment of the market.

Community Trust is also making headway in the single-family market this year. In particular, self-employed and immigrant homebuyers are an underserved yet robust borrowing cohort that Humeniuk believes Community Trust can better assist.

"I think some of the strongest borrowers are self-employed people who work hard and create careers for themselves," he says. "We're active with borrowers who are consolidating debt or are perhaps new to Canada and haven't had a chance to build long-term income streams or credit profiles. From an underwriting perspective, it's a different space than the CMHC or insured prime space, where it's more transactional. With every Alt-A deal, there's a story, and it's the job of our underwriting team and team leaders to get to the bottom of the story and to determine that we have a reasonable borrower to deal with.

"Our growing market share shows we've been able to build strong working relationships with the broker community that have been mutually beneficial," Humeniuk adds, "and if this is our coming-out year, so be it. We've been working at this for a number of years, and we have every expectation that we'll grow our market share in the Alt-A space."

An industry partner

One reason Community Trust is confident it will take the Alt-A segment by storm is because the company has positioned itself as a flexible alternative to big banks by offering shorter-term deals on quality real estate.

"The properties may need seasoning, or they might be in transition – and that's where the value is – but their long-term income stream may be challenging to demonstrate," Humeniuk explains. "There's a story to be told, and we work hard with our broker partners and borrowers. We think it's an excellent space to be coming into. Those deals are done at lower loan-to-value than more conventional loans. We work very closely with asset management partners who are co-lenders in those transactions."

As mortgage brokers struggle under the weight of the newest B-20 guidelines, Community Trust holds frequent information sessions to make sure no one is left behind. Ultimately, the company sees itself as a collaborative partner in the industry rather than a stand-alone entity trying to absorb market share.

"One thing no one can predict right now is consumer behaviour, and consumers have some options," Humeniuk says. "The average duration of our mortgage portfolio previously was 14 months, but today we see more borrowers take two- or three-year mortgages. We expect to see a shift of consumers from the prime space to the Alt-A space. It will be an interesting six to 12 months." CMP

> "One thing no one can predict right now is consumer behaviour, and consumers have some options ... We expect to see a shift of consumers from the prime space to the Alt-A space"

CHRIS HUMENIUK'S CAREER TIMELINE

1990

1997
Moves into the mortgage world as a broker with Canada ICI

2000

2002
Launches Canadian Mortgage Strategies and Investments with a partner

2009
Joins the Community Trust board of governors

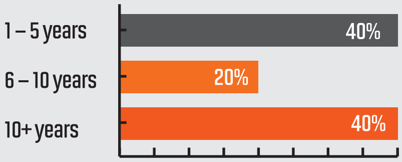
2010

2010
Becomes president of Community Trust

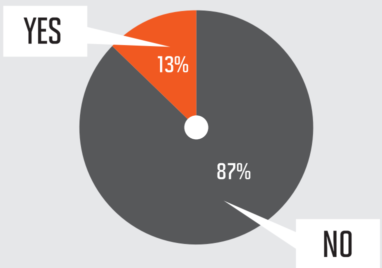
2012
Becomes CEO of Community Trust

FAST FACTS: TOP INDEPENDENT BROKERAGES

How many years have you been an independent brokerage?



Would you consider joining a broker network?



ABOUT OUR SPONSOR

UNITY EMPOWERS CIMBC COALITION OF INDEPENDENT MORTGAGE BROKERS OF CANADA

The Coalition of Independent Mortgage Brokers of Canada [CIMBC] was created to help entrepreneurial brokerages transition into building a genuine independent brand, with a solid structure and a stronger bottom line for the independent, not the network.

That said, there are performance caveats attached that make sense for both lender partners and the independent. This is truly a very unique and disruptive model that those seeking to build value for their business should seriously explore by reaching out to info@cimbc.ca.

Being independent has its pros and cons, but these 15 brokerages have harnessed the advantages to stand out from the competition

AS WAVE after wave of regulatory intervention crests over the mortgage industry, it's fair to say that brokers need to work together to establish a strong front and protect the interests of Canadian homebuyers. The brokers who are striving to stay independent and keep their own brand and niche face twice the challenge in trying to stay afloat amid the tides of change. Despite having to face greater demands and more uncertainties, a number of brokers relish the freedom of being independent and are committed to doing whatever it takes to keep that freedom.

"One key thing to know is that being independent doesn't mean that you're alone," says Crystal Foti of Canadian Northwest Mortgage Corporation. There are avenues for independent brokerages to access support, such as the Coalition of Independent Mortgage Brokers of Canada [CIMBC], which recently announced new head leadership with the extensive banking experience needed to help member brokerages navigate the tumultuous times ahead.

Being independent also affords these brokers more leeway to exercise creativity and be truly resourceful for their clients. "We wanted to build direct relationships with lending executives and be able to provide feedback for product development to affect the mortgage brokering industry," says Ameera Ameerullah of Canada Mortgage &

Financial Group.

Certainly, being independent makes the stakes seem higher, but it also fuels brokers' drive to do more not just for their own successes and their clients', but also for their employees and the market as a whole. "Owning your own company is like owning your own home; there is pride in ownership," says Yousra Jomha of Western Mortgage Services. "Plus, you have the ability to hire people and change their lives."

For John Bargis, vice-president at Mortgage Edge, the key to success when going independent lies in doing your homework in order to build a solid foundation. "Be a leader, not a follower," he advises. "Your efforts will pay multiple dividends in the long run – I'm living proof. This is truly a very unique and disruptive model that those seeking to build value for their business should seriously explore by reaching out to the CIMBC."

BESPOKE MORTGAGE GROUP

Headquarters: Toronto, ON
Year founded: 2016
Leadership: Ryan Dennahower and Simon Lyn, co-founders

CMP: What were the main factors in your decision to be independent?
Simon Lyn and Ryan Dennahower: Being able to establish our own identity and brand while providing a bespoke service to our clients.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
SL/RD: Bespoke is all about providing customized solutions and products to fit our clients' needs. Our strategy is simple: to create long-lasting impressions for our clients while delivering exceptional service, communication and turnaround time. We have had tremendous growth by focusing on the client experience.

CMP: What advice would you give to other brokers looking to branch out on their own?
SL/RD: Being independent is not for everyone – initial setup is time-consuming, and running our own brokerage is not easy. However, by having our own brand, we've been able to leverage new business relationships, and it has been a great conversation piece with past and new clients. Nothing worth having comes easy.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
SL/RD: Access to balance-sheet lenders and conventional funds.

CMP: Would you ever consider joining a broker network?
SL/RD: Being independent is a big part of who we are at Bespoke Mortgage Group. We are presently a member of the CIMBC, where we are determined to grow our own brand but also work together to enhance our competitiveness and reach within the industry.

MORTGAGE ASSOCIATES ONTARIO

Headquarters: Toronto, ON
Year founded: 2008
Leadership: Amir Kay, president

CMP: What is the biggest advantage of being independent?
Amir Kay: Building your own brand and being recognized by clients and lenders under your own brand. It doesn't happen very easily.

CMP: What does your company do differently to stand out from the competition?
AK: In terms of competition in the industry, we are very hands-on with newer agents who need help, deal assistance, training and back-end support; furthermore, we provide them with quality leads to give them experience to excel and grow in the mortgage industry.

As for competition when it comes to clients, we make sure that we are not focused on one single element in a transaction – i.e. rate/costs. We focus on the overall long-term goals of the client for their real estate, mortgage and other investments, and build a solution to help them attain those goals.

CMP: Do you think brokers affiliated with a network have an easier time building a brand? What do you do to cultivate your brand and make it memorable for clients?
AK: There are pros and cons to being part of an affiliated network when trying to build a brand. You are able to quickly build reputation and trust amongst clients and industry partners who recognize the brand; however, the con is that you are not 100% recognized as your own brand. There are great advantages to doing it either way.

As for making it memorable for clients, we treat them like family, not like a dollar sign. It's imperative to our model to build rapport with clients and give them a pleasant experience in order to retain their relationship and also tap into their network of friends, family and co-workers to provide them with exceptional service so we can grow continuously.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
AK: The need for transparency and good faith amongst brokers to help one another.

BLUE PEARL MORTGAGE GROUP

Headquarters: Surrey, BC
Year founded: 2014
Leadership: Nitesh Prakash, president

CMP: What were the main factors in your decision to be independent?
Nitesh Prakash: Being independent allows us to be in control of our brand, develop our own unique processes that best fit our team and clients, be organic, go with the flow and create a culture that gives everyone the power to create and share ideas, and embrace and drive change within our working environment. We are continuously raising our standards and embracing technology and new ideas.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
NP: Culture is something we continually focus on, while also utilizing technology to diversify ourselves, expand our reach and give clients a seamless experience, keeping them posted on our digital strategy as well as the latest news and updates in the industry.

CMP: What advice would you give to other brokers looking to branch out on their own?
NP: You have to do what feels right for you. For us, it didn't make sense [to join a network], as it did not fit with our overall corporate strategy.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
NP: Change would be the biggest challenge, with all the new changes in the regulatory environment and the attempts to control market values last year and again in January of this year. This has posed a significant challenge to the mortgage industry.

> "You have to do what feels right for you. For us, it didn't make sense to join a network"

CMP: Would you ever consider joining a broker network?
NP: Although a broker network has its advantages, with the brand, marketing, etc., already in place, our business model differentiates us from the typical brokerage, and our overall vision and culture do not fit within the brokerage network model.

CANADA MORTGAGE & FINANCIAL GROUP

Headquarters: Mississauga, ON
Year founded: 2012
Leadership: Ameera Ameerullah, founder and CEO

Founded in 2012, Canada Mortgage & Financial Group [CMFG] has set unique benchmarks in the industry under the leadership of its founder and CEO, Ameera Ameerullah. The firm provides a wide range of services, including real estate development, investment in private mortgages, and residential, construction, and commercial financing from banks and alternative lenders, as well as interest-free joint-venture opportunities on profitable projects.

CMFG has established relationships with investors who have ready access to capital, especially in emergency closings. Through its impeccable ethics and strong governance in underwriting, the company maintains an unblemished record with regulators and lending partners while focusing on bridging the gap in the alternative sector of the industry.

CMP: What were the main factors in your decision to be independent?
Ameera Ameerullah: To work with like-minded professionals who share the same business practice, morals and ethics; to have creative latitude and set business direction; to have financial control and stability; and to create jobs and take a step towards my long-term goals. We also wanted to build direct relationships with lending executives and be able to provide feedback for product development to affect the mortgage brokering industry.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
AA: We established lending relationships with more alternative lenders; restructured the business model in the best interest of all parties involved; expanded CMFG's marketing platform with country-wide sources; created alternative products to provide solutions that bridge the gap for consumers and investors; broadened horizons internationally in terms of branding, business origination and strategic relationship-building; and hired experienced staff and positive people.

CMP: What advice would you give to other brokers looking to branch out on their own?
AA: Have your own vision and follow through with it, because in the end, you'll be rewarded. Have the knowledge and understanding of the regulatory requirements and compliance mandate expected of you as an independent. Be accountable and keep abreast of ongoing industry changes, and optimize networking in order to generate business and maintain volume requirements from lenders.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
AA: The banks and the government mandates – with all the mandated changes from the government, banks are hesitant to follow the traditional five Cs of credit. The recently imposed changes have made it challenging for Canadians to become homeowners or improve their financial position. While the government's intent maybe positive, the end result is not aligned with that vision.

CMP: Would you ever consider joining a broker network?
AA: No, I wouldn't, based on the aforementioned factors. With that said, at the start, it helps to establish yourself with a broker network to gain experience, knowledge and develop lending relationships. Thereafter, you will be in a better position to direct your vision towards the end goal.

"Have your own vision and follow through with it, because in the end, you'll be rewarded ... Be accountable and keep abreast of ongoing industry changes, and optimize networking in order to generate business and maintain volume requirements from lenders"

TAURUS MORTGAGE CAPITAL

Headquarters: Markham, ON
Year founded: 2011
Leadership: George Hugh, president and CEO

CMP: What were the main factors in your decision to be independent?
George Hugh: As an independent mortgage brokerage, my goal was to create a value proposition and brand that would allow me to transfer the power of knowledge to Canadians in a customer-friendly way. In doing this, it only made sense for me to execute this strategy through a brand I could call my own.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
GH: Last year was a very difficult one for our industry. Our organization was very fortunate to have always focused on creating a wealth strategy for each and every one of our clients. This provides us with an opportunity to reach out to them throughout the year. We took the time to explain the changes taking place, which created opportunities for both our clients and our organization. It has always been a part of our culture to let our clients know that we are a source of knowledge when it comes to anything to do with their financial well-being.

CMP: What advice would you give to other brokers looking to branch out on their own?
GH: The costs and time commitment required to operate a successful mortgage brokerage are great. One of the biggest challenges for independents is the volume commitment required by lenders to have access to them and to get great rates, commissions and service levels so that we are better able to meet our clients' needs. In today's ever-changing times, many successful independents have created structures and partnerships that have helped to minimize this challenge. Help is available!

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
GH: The biggest challenge that brokers face today is the need for change. Without a doubt, what worked yesterday will not necessarily work today. In the past, volume was king, even though in reality, quality and profitability were the real kings.

We are entering a new era wherein quality cannot be compromised. Without it, our industry partners will not be able to attract investor capital. I would like to see a 'reverse' in the way bonuses are paid – volume bonuses should 5 bps and performance bonuses 25 bps. This would be one of those changes that would benefit our industry and the behaviours of brokers.

CMP: Would you ever consider joining a broker network?
GH: I have seriously considered joining a network in the past. They are operated and run by some of the brightest minds in the industry. Even though they provide an amazing support network, I found that there are viable options that exist today that allow one to operate as an independent, yet have the support necessary in these challenging times.

"One of the biggest challenges for independents is the volume commitment required by lenders to have access to them and to get great rates, commissions and service levels so that we are better able to meet our clients' needs"

CANADIAN NORTHWEST MORTGAGE CORPORATION

Headquarters: Abbotsford, BC
Year founded: 2008
Leadership: Crystal Foti, founder

CMP: What were the main factors in your decision to be independent?
Crystal Foti: Several factors played into my decision to be independent; however, having the ability to brand myself in a unique and personal way without being under a network umbrella was the key to my overall business strategy. Being able to focus my advertising dollars on building my brand and not being captured within a large network's advertising strategy was very important.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
CF: I made many changes in my advertising campaigns in 2017, with more focus on educating consumers on industry changes and using a friendly, non-traditional bank approach, providing consumers a straightforward, easy-to-understand plan to illustrate how they can still accomplish their home purchase or consolidation goals amidst the new rules. Embracing new technology to improve both the reach of marketing dollars and internal process, including the protection of consumer data, was very important to a successful 2017.

> "One key thing to know is that being independent doesn't mean that you are alone"

CMP: What advice would you give to other brokers looking to branch out on their own?
CF: One key thing to know is that being independent doesn't mean that you are alone. We have a vast array of resources to help a broker navigate this ever-changing industry, where information can still be sought and shared, from social media groups to local and national associations and peer-to-peer mentoring.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
CF: Brokers are facing several challenges, from government regulatory changes to artificial intelligence, as well as other technological advancements that will reshape our industry in the years to come. It's advisable that we all take notice of these developments and work together to protect our industry by maintaining a strong voice through our national and regional associations and by challenging unnecessary government interference in the uninsured mortgage markets.

CMP: Would you ever consider joining a broker network?
CF: I like to keep my options open in this ever-changing industry, and although I currently maintain an independent status, I also keep my mind open to opportunities.

TOP INDEPENDENT BROKERAGES

MORTGAGE EDGE

Headquarters: Toronto, ON
Year founded: 1999
Leadership: John Bargis, execitove vice-president

CMP: What were the main factors in your decision to be independent?
John Bargis: As a founder of Invis – one of the original large national network brokerages – in July 2000, I realized through the experience that independence was where it was at for broker/owners who are interested in building a business with a distinct value proposition and long-term wealth for their enterprise.

CMP: What advice would you give to other brokers looking to branch out on their own?
JB: If a brokerage is hesitant to branch out, I would suggest that the broker/owner(s) either haven't done their homework in depth, or they simply lack innovation and the entrepreneurial skills to run their business at its maximum potential to build value for their firm versus that of the network they may belong to. The Coalition of Independent Mortgage Brokers of Canada [CIMBC] was created to help entrepreneurial brokerages transition into building a genuine independent brand with a solid structure and a stronger bottom line for the independent, not the network.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
JB: Broadly speaking, the obvious response to this question is the regulatory changes. But it actually goes deeper than that. Some additional examples are the preference to take the easy way out and complain about the changes, rather than implementing an innovative strategy to find solutions that create growth in a business.

CMP: What does CIMBC membership do for Mortgage Edge?
JB: As a member of CIMBC, Mortgage Edge has access to all lenders, with competitive options that allow us to use the changes to our advantage with higher revenue streams that also enhance the bottom line of our agents. Brokers should be mindful that the regulators and lenders are watching closely and are picking their strategic partners carefully.

CMP: Would you ever consider joining a broker network?
JB: Absolutely not! I've said it before, and I'll say it again: I have been offered a seven-figure balance just to hang up the colours of a network on my door, and the math makes zero sense with the lack of value networks provide in exchange for being a part of their expensive setup. After picking the network models apart, there were promises of recruitment and growth made as a value, but when asked to put the specifics of these promises in writing with applicable penalties for non-performance and the ability to nullify their onerous contracts, the networks weren't at all amenable to a common-sense business decision.

Further, with volumes on the decline, particularly after the implementation of the new stress test by the regulators in January of this year ... as a network broker, you're now competing with the network brand for compensation, which affects your bottom line, as well as your agents' compensation. That's not a great strategy for growth.

CIMBC's strategy is to educate and provide access to technology under the complete control of the independent broker/owner.

OBSIDIAN MORTGAGE CORPORATION

Headquarters: Scarborough, ON
Year founded: 2007
Leadership: Richard Samuels, CEO and principal broker

CMP: What were the main factors in your decision to be independent?
Richard Samuels: We started out independent, and we enjoy the flexibility it allows within our organization. At Obsidian Mortgage Corporation, you're always more than just a number, whether you are a client, agent or broker.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
RS: We adjusted and tried to stay ahead of the different regulatory and industry changes that were in play throughout 2017 and now in 2018. I think that helped to keep us afloat through what many in the industry saw as somewhat turbulent times.

CMP: What advice would you give to other brokers looking to branch out on their own?
RS: If you're happy where you are and have a proactive team of individuals around you who support you, stay where you are – the grass is rarely ever greener. However, if you find that you do not have a team of individuals around you who can help you become more proactive, give me a call – I am always looking for good, ambitious, proactive people to join our team.

CMP: Would you ever consider joining a broker network?
RS: I would never say never. If the time comes where it is advantageous to do so, it may be something to consider, but for the time being, we are satisfied that our clients are satisfied, and that's what matters most.

MORTGAGE OUTLET

Headquarters: Toronto, ON
Year founded: 2015
Leadership: Shawn Stillman, director and principal broker (right); Elan Weintraub, director and mortgage broker (left)

CMP: What were the main factors in your decision to be independent?
Shawn Stillman: Control, which is a prerequisite to speed and agility; we also developed strong relationships with lenders before launching Mortgage Outlet and didn't require a formal network to get off the ground.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
SS: Training is a big part of our culture – both teaching and learning. Our brokers host seminars at the Toronto Real Estate Board [TREB], are quoted on MortgageBrokerNews.ca and give seminars to countless Realtors to drive better awareness of mortgage issues and themes. We host weekly lender/partner meetings to ensure our agents are aware of new products and offerings.

Newer agents have every file underwritten and reviewed before submission. Our rate sheet is a significant competitive advantage, helping agents understand offerings, pricing and product features, combined with comp/buy-down info. In addition, our no-desk-fee and transparent-commission approach has helped us recruit numerous agents.

There have been several instances when we instructed lenders to cancel a file because of suspected fraud. We work closely with our BDMs to fully understand intricate policies on challenging files so that the client and lender do not have any last-minute surprises.

> "We are not interested in giving up control of our destiny and signing a seven-year contract. Plus, we are too busy building our brokerage to read a 200-page broker network agreement"

CMP: What advice would you give to other brokers looking to branch out on their own?
SS: Access to lenders is critical. If you don't have strong relationships with lenders and deliver hundreds of millions or billions in annual originations, you will have challenges accessing lenders and special rates. Also, be aware that being independent requires you to spend time on overhead activities like accounting, renting an office, activating lenders, etc.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
SS: The products are becoming more technical than ever, and many agents do not understand the nuances. Another issue is increased regulation, which leads to less competition for consumers, as seen in 2017, when the volume of broker business sent to the major banks increased greatly.

CMP: Would you ever consider joining a broker network?
SS: Never say never, but it is extremely unlikely. We are not interested in giving up control of our destiny and signing a seven-year contract. Plus, we are too busy building our brokerage to read a 200-page broker network agreement.

"I enjoy the pleasures of building a business instead of running a franchise – this, to me, is the most important factor [in remaining independent]"

OAKPARK MORTGAGE GROUP

Headquarters: Oakville, ON
Year founded: 2016
Leadership: Leo Marasovic, owner and mortgage broker

CMP: What were the main factors in your decision to be independent?
Leo Marasovic: It's the ability to develop my own brand instead of being recognized as just another office of a larger brokerage. I also wanted to develop my own lender relationships that would give me greater autonomy and flexibility to choose who I do business with. I wanted to be responsible for my own marketing platform and to innovate without any restrictions. All of these enable me to truly be an owner of a brokerage and not an operator of a franchise.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
LM: I concentrated on lead generation and placed a large focus on marketing and innovation. Social media was a huge component, along with seminars I hosted throughout the year. I was able to team up with big-name Realtors in the area, and it's proven to be very effective in boosting my success.

CMP: What advice would you give to other brokers looking to branch out on their own?
LM: My advice to them is that they don't need to belong to a large brokerage to be successful. With a shift in mindset – from being dependent on others to depending on yourself and your abilities – you will have the freedom to innovate and market your product more effectively, which is a much more pleasurable experience. The cost of being part of a large brokerage – the financial cost, as well as the limitations put on your business by being told what you are allowed and not allowed to do – is too great not to do it on your own.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
LM: Moving forward, I believe that government regulations will continue to be a challenge, especially if they continue to impose regulations without proper knowledge and advice from industry experts. Fraud is also a major challenge that we face today and will continue to face in the future. Our industry is plagued with firms that continue to commit fraud, which has negatively affected public perception, and the industry as a whole suffers greatly from that.

CMP: Would you ever consider joining a broker network?
LM: I would never join a broker network after experiencing the benefits of being independent. I have been able to allocate my resources to different areas of my business, which has allowed me to grow and prosper. I have also had the pleasure of creating alliances with other independents, which has given me a greater opportunity to learn from some of the leaders in our industry. Finally, I enjoy the pleasures of building a business instead of running a franchise – this, to me, is the most important factor.

THE MORTGAGE PLANNERS/ PLANIPRÊT

Headquarters: Saint-Eustache, QC
Leadership: Gilles Bouillon, founder, president and CEO

Founded by Gilles Bouillon, The Mortgage Planners works with regulators in Quebec (OACIQ) and Ontario (FSCO) to ensure that brokers maintain the highest professional standards of practice as planners for debt management. A licensed mortgage broker, Bouillon has accumulated more than 25 years of experience in the financial services industry, starting out first as a securities advisor and manager of pension funds, then going on to serve as vice-president at one of the largest independent financial service firms in Canada for close to a decade before finally branching out on his own. His passion is to keep creating tools and solutions that will help brokers and financial planners effectively tailor solutions to clients' needs.

MORTGAGEGUYS .COM

Headquarters: Guelph, ON
Year founded: 2015
Leadership: Chuck Nash and Dario Di Renzo, co-founders

CMP: What is the biggest advantage of being independent?
Chuck Nash: The biggest advantage is not having to pay all the fees and a percentage of revenue to a broker network, which can be as high as 5%.

CMP: What does your company do to stand out from the competition?
CN: We have a customer journey that we follow with every client. This is a step-by-step process that allows us to deliver a very consistent customer experience every time.

CMP: Do you think brokers affiliated with a network have an easier time building a brand? What do you do to cultivate your brand and make it memorable for clients?
CN: I think they have a more difficult time. Many of these brokerages have two names, which waters down the brand. I think it creates customer confusion. For example, you don't see Chuck' Hamburgers/ McDonald's as a brand.

Our brand sticks and is clear from our website. It's been a big part of our success that people easily remember it and can find MortgageGuys.com online. Any advertising we do is simply putting out the name MortgageGuys.com. It tells people what we do and where to find us. We also give every client an engraved knife with our logo. This keeps us top of mind for years to come and provides exposure for our brand every time a client puts out a cheese board for guests. On top of that, we add to their knife collection every time they send us a new client.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
CN: For this coming year, we see the biggest issue on the alternative side – the stress test qualifying some B deals with 20% down at 6% and 7% might prove challenging.

ORIANA FINANCIAL GROUP OF CANADA

Headquarters: Toronto, ON
Year founded: 2000
Leadership: Michael Hall, president and broker

CMP: What were the main factors in your decision to be independent?
Michael Hall: When we founded the company, we came from a corporate background. Our mindset was to open a boutique-style brokerage where all employees are treated equally and the atmosphere is like that of a family business. This concept has helped us grow with quality agents and allowed us to become part of their lives and not just be their employer.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
MH: We wanted to continue our growth and maintain the independence of the boutique atmosphere in order to offer a full client experience – providing not just a rate, but a complete financial experience – and nurture our relationship with our clients now and in the future. We also offer insurance and financial planning through our wealth management branch.

CMP: What advice would you give to other brokers looking to branch out on their own?
MH: Why be a rate to your clients? Be a deal-maker! With the ongoing rule and policy changes in the market, especially in the past four years, the ability to communicate with your clients and identify their needs is an art of the independent broker/brokerage.

At Oriana Financial, we have an integrated approach to building relationships with lenders, service providers and agents to not only meet clients' needs, but to consistently surpass them throughout the relationship. Independents are not 'superbrokers,' nor do we intend to be at any time in the future.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
MH: The personal touch – we believe that technology is an important aspect of an individual's day-to-day lifestyle, but sometimes it can take over a person's time, work and personal life. At Oriana Financial, we know that keeping up with all the technological changes is important; however, we continue to instil in our agents that the personal touch is how we have become successful, respected, trusted and continually acknowledged by our customers, colleagues and within the industry.

CMP: Would you ever consider joining a broker network?
MH: As one of the founding partners of the Coalition of Independent Mortgage Brokers of Canada, we maintain our independence but show the strength of a group of brokerages that strongly believe in our industry and doing what it takes to not follow the leader in an ever-growing industry of superbrokers.

> "Independents are not 'superbrokers,' nor do we intend to be at any time in the future"

WESTERN MORTGAGE SERVICES

Headquarters: High River, AB
Year founded: 2004
Leadership: Yousra Jomha, founder and mortgage broker

CMP: What were the main factors in your decision to be independent?
Yousra Jomha: First, my daughters – I wanted to build a reputable and successful business to pass along to my girls to guarantee them an awesome, exciting career that will not bore them and will keep them challenged – although unfortunately, they didn't like the idea of being constantly on the phone. I also wanted to give a chance to other people and provide a stepping stone for them to become successful in this industry.

CMP: What strategies did you employ in 2017 to garner business and boost your success?
YJ: In effect, we are selling debt, and it has become more expensive and harder to sell with the new government raising rates, changing rules and minimizing Canadians' chances of owning a bigger home to raise a family in. Consumers deserve opportunities to have a proper financial check-up. We provide ideas, analyze credit debt and manage mortgage debt, and help them work within the parameters at play within today's rules. Our advice for customers: Buy within your means – a smaller home today will lead to a bigger home tomorrow.

CMP: What advice would you give to other brokers looking to branch out on their own?
YJ: Owning and operating your own company is like owning and operating your own home; there is pride in ownership. You will never know where your brokerage will take you until you take that first step! Plus, you'll have the ability to hire people and change their lives. The only worry you will have is how to have a successor in place.

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
YJ: The stand-alone bank branches – they have always been threatened in the past by the term 'mortgage broker.' Banks say brokers take a chunk off their profits and quotas in the mortgage aspect, so if that means they have to break the rules or tell white lies to retain the customer, so be it – rules don't apply to most stand-alones, unfortunately. Canadians are very smart, and as brokers, we must remind them that they're not leaving their bank, just using the void cheque.

CMP: Would you ever consider joining a broker network?
YJ: Western Mortgage Services has been my own brand since 2004. Being true to every customer who walks through my door, honouring my lenders and colleagues, and being able to have fun with my family – I have been able to accomplish all these while maintaining my own brand. I have been approached by so many broker networks to join them, and I respect them all very much, but for now, I love being independent. I am remembered, not lost in the franchise world and all the extra fees that I don't pay now.

CLN MORTGAGES

Headquarters: Toronto, ON
Year founded: 2004
Leadership: Raj Babber

CMP: What were the main factors in your decision to be independent?
Raj Babber: I wanted to create my own brand and provide services to my clients with a very distinct personal touch. Also, I wanted to continue to operate my brokerage as a boutique brokerage.

CMP: What advice would you give to other brokers looking to branch out on their own?
RB: If you want to create your own identity and not be another number in a large network, it's important that you take the steps to create your own brand and image to differentiate yourself from the rest of the industry.

> "If you [don't want to] be another number in a large network, it's important that you take the steps to create your own brand"

CMP: Industry-wide, what do you believe are the biggest challenges brokerages face today?
RB: The biggest challenge for brokerages are the rate-discount brokerages that focus more on volume than service.

CMP: What do you do to cultivate your brand and make it memorable for clients?
RB: I think it's important to realize that my brand is created through my service to my clients. The majority of my referrals are from my past clients, as they are happy with my service to them.

Coming together to create change

The Coalition of Independent Mortgage Brokers of Canada offers independent brokerages a way to access support without sacrificing their autonomy

WHEN A group of independent mortgage brokerage owners saw the need for change in the Canadian mortgage market, they decided it was time to take action. Those brokers wanted to create a collective to share new ideas on improved best practices and strengthen partnerships among industry peers. The Coalition of Independent Mortgage Brokers of Canada [CIMBC] was officially formed in November 2014, and since then there has been no looking back.

When it first launched, CIMBC consisted of five broker firms. Since late 2014, membership has grown consistently, and the group now has 31 broker partners, representing more than $5.5 billion in aggregate volume. The coalition is broker-centric and does not act as a brand; each independent member operates under its own firm name and business model with absolutely no co-branding required.

"With the hype around the effects on independent brokerages as a result of the network players, CIMBC was created as a vehicle to strengthen and expand the presence of true independents solely under their own brand," says senior CIMBC executive John Bargis of Mortgage Edge, one of the original CIMBC member brokerages.

CIMBC's main ambition is to create more consistency in the mortgage market, from the initial touchpoint to the application and funding of a mortgage transaction. At its core, the coalition works to create more meaningful, mutually beneficial long-term partnerships and to improve profitability for member brokers, their agents and lender associates. "New members receive genuine support from CIMBC and its experienced membership – just ask our member brokers for their testimony on how real this is," Bargis says.

> "CIMBC has actually delivered on its mandate to increase the revenue of each and every one of its member broker firms and their agents"
>
> John Bargis, CIMBC

In addition to bringing independent brokers together to share knowledge and information, CIMBC also provides ancillary products that each broker can use under their own brand, further enabling them to boost their revenue streams and build a business with a long-term value.

"Being a member also gives brokers access to the best comp structure in the industry, bar none, with access to lenders and specialized products regardless of the size of the brokerage," Bargis says. "That said, there are standards that must be maintained and adhered to by each of our member broker partners in order to be a participant. Our model is truly very different; the focus is on building wealth for our brokerage partners, not the network stakeholders."

The coalition also provides members with regular rate and product updates so that all brokers stay apprised of the rapidly evolving mortgage market. Change is occurring at an unprecedented rate, and brokers can't afford to be left behind. "It's pretty much a given that knowledge is power, and with the vast level of experience we have at the table from our high-level executive management team right through to our broker partners, there's no shortage of creative innovation that serves the best interests of our CIMBC member brokers," Bargis says. "Our members don't view one another as competitors; they openly share and exchange ideas."

Continuous development is important in any industry, but in the constantly changing mortgage industry, it is simply crucial. For that reason, CIMBC has committed to providing support and training for brokers who want to learn how to operate a more successful business amidst the challenges of the current market environment.

"The best education is that which is passed on by our highly successful broker partners – education on how to effectively run a business, as opposed to letting one's business run them," Bargis says. "This includes how to build stronger industry partnerships and how to grow one's business on all levels, together with introducing ways to better manage regulatory responsibilities. Our mentorship program is second to none with the multi-faceted experience available through our member brokerages."

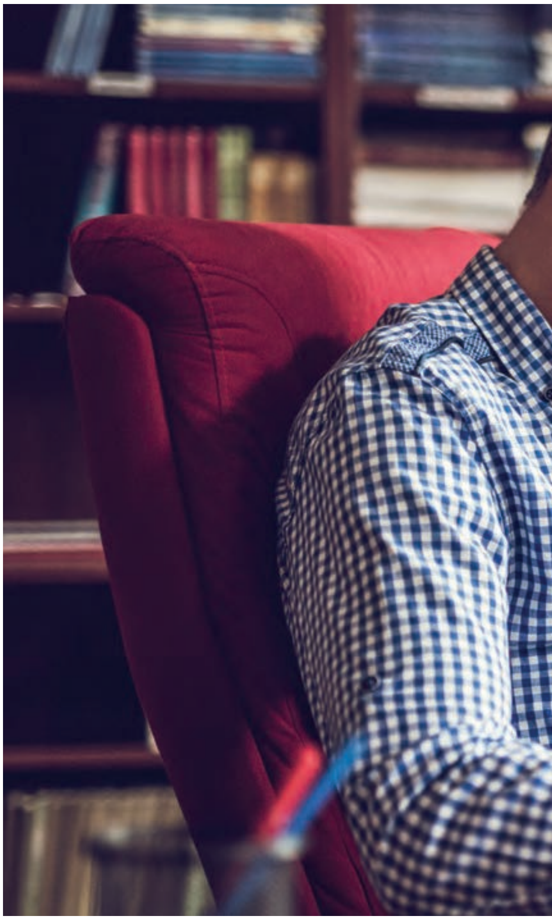
Member brokers are required to go through a formal application process before joining CIMBC. Each member must follow the coalition's constitution and bylaws and agree to its governance, which is enforced by an appointed advisory board.

CIMBC has worked closely with industry lender partners to reduce origination costs, leading to an enhancement of the lender, broker and client experience. The coalition has further committed to state-of-the-art technology through the use of a newly developed Salesforce platform. This will significantly assist members to better manage their day-to-day business in real time, allowing them to achieve minimum benchmarks more effectively, significantly enhancing revenues and resulting in a stronger bottom line for their brokerage.

"One of CIMBC's core goals was to raise the bar by delivering a meaningful transformation in our lender relationships and, dare we say, introduce a contentious multifaceted model to the industry that is bringing disruptive change, all of which have been accomplished in a very short period of time," Bargis says. "The model is very simple, and CIMBC has actually delivered on its mandate to increase the revenue of each and every one of its member broker firms and their agents, while maintaining complete independence without the cost of being part of a network." CMP

Be a great storyteller

Paul McGill of The Financing Hub explains why it's essential for every commercial file to have a good story at its heart



SOME OF the best commercial brokers I know are also great storytellers. Now, don't take that the wrong way – none of these people have any interest in deceiving their lenders or even suggesting something that's not true in a submission. What I mean is that they know how to tell the story behind their submissions – the whole story.

The number-one reason we see deals fail on The Financing Hub is because the submitting agent didn't provide any more details than they thought they had to. As a result, the lenders they submit to don't see the whole story and often decline the application early on.

No detail too small

For residential agents who are looking to try their hand at commercial brokering, you have to understand that commercial applications are not like residential applications. There are no two commercial properties that are exactly alike. I can't stress this enough. In residential lending, there are certain similarities common to all applications. Once you identify the property as single-family detached, apartment condo or multi-family attached, if your lender is familiar with the location, most of the details the lender will need will be addressed by the appraisal.

That's not the case in a commercial submission. And this is where a good commercial broker shines. They know they need to provide additional details and documentation to give their lenders the whole story on that property.

Consider location: A good application doesn't just provide the property address, but also includes commentary on the surrounding area. Is that location a benefit or a hindrance? Close proximity to a major highway might not be an advantage for a luxury condo, but it's a real benefit to a warehouse complex. Similarly, you never want to build a factory in an area slated for a large residential development, but it's a great place for a new retail outlet.

For a residential deal, the lender simply needs information that confirms the borrower has the ability to repay. Once they have that, you're done. But for commercial properties, you need to show how that property will generate sufficient rents to service the mortgage debt. If a residential borrower leaves, the lender will get paid out. In a commercial building, if one tenant leaves, where is a replacement coming from so the property's revenue stream won't send the loan into default?

The number-one reason we see deals fail on The Financing Hub is because the submitting agent didn't provide any more details than they thought they had to

Just telling my lender that there are eight out of 10 or 15 out of 15 units rented doesn't give them the full story. How are the rents going to be maintained over the full term of the mortgage, even a short-term mortgage?

If I'm asking for a one- or two-year term and my application includes the fact that my eight tenants all have leases that go out 36 months or more, that's a good start. My rent roll, which I must include with every application that relates to multi-tenant properties, provides this data. But are there comments I can add about who those eight tenants are that could provide comfort to my lender that the rents will be paid in a timely manner?

If I'm asking for a 36- or 60-month term, can I advise the lender that my borrower historically uses one of the top leasing agents in the area to manage all new tenant acquisitions, or that vacancy rates for similar buildings within a 5km radius have been under 4.3% for the last five years? This requires a little extra effort, but it's good storytelling.

Don't neglect the negatives

A good commercial broker also knows they need to deal with negatives upfront. Let's say my client is an investor looking to purchase a smaller, older 24-unit apartment building facing a high vacancy rate because of competition from newer high-rise complexes in the area. Her solution is to go green and create a niche profile for the building: energy-efficient appliances, LED lights, water management, etc. She is also reconfiguring the lobby to build a secure area for daytime package deliveries for her tenants.

The last important fact is how the investor plans to pay for these upgrades: Will the funds come from part of the requested mortgage proceeds, her capital reserves, a short-term six-month second mortgage renovation loan, etc.?

By digging in a little further with my client, I might get a second assignment to find the renovation financing. If she has no answer as to how she plans to finance the upgrades, I might have the opportunity to bring in my local commercial Realtor contact for recommendations, thereby building that relationship up a little more. Good storytelling has its rewards.

We know from our experience on The Financing Hub that brokers who have high-scoring submissions on the platform's Application Guide have a 70% better chance of securing interest from multiple lenders on our system. The success levels we see from our larger commercial brokers indicate the same thing.

Going further and telling the whole story gets the lender's attention. Even if you don't cover everything, most lenders will see you as the type of agent they want to work with

Going further and telling the whole story gets the lender's attention. Even if you don't cover everything, most lenders will see you as the type of agent they want to work with. They're often happy to come back with additional questions because they know they are likely to get their concerns addressed.

Complete lender applications, supporting documentation and good storytelling: I've just given you the formula for success in commercial mortgage brokering. Unfortunately, there are too many storytelling situations to work through in this one article. If you are interested in learning more about building those supporting stories and using them to make more money, Merix Financial is sponsoring a webinar in April on this topic. Look for further announcements on time and date. CMP

Paul McGill is president of The Financing Hub, which is dedicated to delivering effective digital solutions for commercial real estate financing.

Taking advantage of regulatory change

CanWise Financial head **James Laird** tells *CMP* why he views regulatory upheaval as an opportunity rather than a hindrance

CMP: What made you first get into the mortgage broker industry?

James Laird: I was attracted to mortgage brokering because it's a very entrepreneurial industry. Even if you are young, if you can come up with a good business idea and work hard and be smart, you can do really well. I studied commerce in school, so I have business background, and I like that part of it, too. I entered the industry straight from school after I bought a quarter of an existing brokerage … they had a good business model that was working well in Calgary. I approached them and have since expanded into Ontario and Quebec.

CMP: How would you describe your time in the industry?

JL: I've been in the industry for 10 years, and I would describe my first decade as being fantastic. It's been better than I expected. It's an industry that is changing and will continue to change, and with change there is opportunity. It's been a great decade, and I look forward to participating in it in the years to come.

I like that mortgages are important to almost every single Canadian. It's an everyday product that really affects the lives of most people in your life and most people you talk to. It is a very important part of financial well-being and therefore overall well-being.

CMP: To what do you attribute your success in the industry?

JL: The main thing is making decisions with the customer in mind, not what you want or what the industry wants. You need to make decisions with them in mind. If you let that idea drive how you navigate the industry, then you should do well.

CMP: What markets do you focus on, and how has business been for you recently?

JL: My brokerage operates in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. While 2017 had its challenges, overall it was a great year. We grew about 26% year-over-year in mortgage volume, and our team size grew about the same, as did our customer base. All metrics were up between 20% and 30%, and we are fairly pleased with that.

We have become very good at adapting to change quickly, especially regulatory change. As these changes are put upon us, we do complain a little bit, but we also recognize that if we are able to adapt to changes faster than other participants in the industry, then we can actually come out ahead. That is true for the stress test that just came about in January. If you are able to adapt more quickly, you can come out on top.

CMP: What are your views on the recent tightening of mortgage approval rules?

JL: It's been a lot of regulation to get used to in a short period of time. I question whether we should have waited a little bit to see what the effects of the regulations already in place would be. At the same time, I like regulation that asks consumers to borrow in a prudent manner, and that is what this regulation does. Overall, that makes sense to me. Just like all regulations, there is a shock when it hits the market, and that's where we are right now. But give it another couple of months and people will get used to it, and it won't seem so unusual.

We will probably have a slower start to

LAIRD'S TIPS FOR OTHER BROKERS

"Listen to your customers and do more of what they want. Everyone in the industry should clearly understand what their value proposition is to the Canadian consumer. They should also be able to communicate quickly why a Canadian should use them over all of the other options. It is a very competitive industry, and the consumer has a lot of choice when getting a mortgage. If a broker does not understand their own value proposition, how can a consumer possibly understand why they should go with them? If you understand it well and execute well, then you should find success."

the spring market as consumers get used to the stress test and adjust to what they can now afford. All consumers need to reach out to their broker and understand how much they can afford with the new rules. Our calculations have it that affordability is now down around 20%.

We need to work with consumers to help them adjust. Once that is done, consumers and brokers can move forward together.

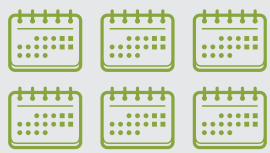
CMP: What do you get up to in your spare time?

JL: I like to get outside as much as possible. I downhill ski in the winter, and I like to water ski and kiteboard in the summer. You’ll usually find me up to some sort of outdoor activity when I’m not in the office. CMP

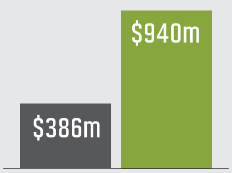
FAST FACTS: JAMES LAIRD

President of CanWise Financial, which operates in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and BC

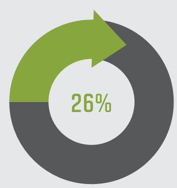
Laird is also part-owner of mortgage comparison site RateHub



Prior to founding CanWise, he spent six years as the chief operating officer at True North Mortgage



In 2016, CanWise closed about $940 million worth of mortgages, compared to $386 million in 2015



CanWise grew by 26% in 2017

ALTERNATIVE BROKERS

Leading alternative brokers

When clients begin to lose hope, these outstanding alternative brokers consistently go above and beyond, securing the dream of homeownership one loan at a time

FROM EVERYDAY consumers to business owners, millions of Canadians rely on alternative lending to finance their dreams, working with alternative brokers who are willing to take on the 'tough' deals the banks won't touch. Following the new OSFI stress test rules implemented in January, the number of borrowers rejected by banks and A-lenders is on the rise, making the need for alternative brokers even greater in today's market.

On the following pages, you'll be introduced to some of the industry's premier alternative brokers, nominated by their peers for their dedication to and superior work in the alternative channel. Collectively, they share how they've achieved success, the strategies they use to help borrowers tackle financial hurdles and what makes alternative lending such a rewarding field.

ALTERNATIVE BROKERS INDEX

ALEX LAVENDER

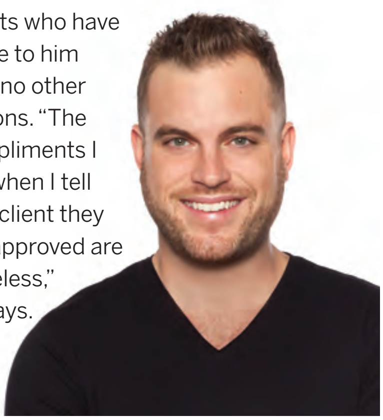
Mortgage advisor

Centum Home Lenders

Alex Lavender spent his formative years in a town of just 700 people, where he witnessed the power of community and its impact on both the individual and the collective whole. "I carry that small-town sense of community wherever I go," he says, "and tend to client relationships with the same care as I would neighbours at home." Now based in Halifax, Lavender prides himself on providing the best experience possible for clients by always being available to them, customizing solutions to counteract stressful situations and providing a level of care that's difficult to find anywhere else.

Focusing on both alternative and private lending, Lavender always tries to fit a client with an alternative lender first before exploring private options. "In Nova Scotia, alternative lending is very limited," he says. "Lenders will typically only lend in a select few urban areas. Once it starts to get into more rural territories, private lenders fill the void for financing in the market where there is no other option. Some areas are even too rural for most institutional private lenders, and this is why I have found that creating relationships with individual private lenders is ideal to get mortgages funded that can't get approved anywhere else."

Lavender's favourite aspect of working in the alternative space is the satisfaction he receives when he finds a solution for clients who have come to him with no other options. "The compliments I get when I tell that client they are approved are priceless," he says.



DARLENE VILAS

Mortgage broker

The Mortgage Centre

After a successful career in outside sales, Darlene Vilas joined The Mortgage Centre in March 2006, where she quickly noticed significant demand for alternative lending among people who had been declined by their banks. Vilas was able to help clients by assisting with strategies to repair credit, thereby reducing their number of monthly payments and debt-servicing costs and improving cash flow. She's found the process of helping people stay in their homes and get back to the A space for their next refinance to be hugely rewarding.

"Homeownership is a blessing and a privilege," Vilas says. "The best part about working in the alt space is the difference it can make. It is rewarding and builds a foundation of loyal clientele and loyal referral sources. It's life-changing when you have a plan for people that provides them with options that they are not able to discover on their own."

In addition to excelling in the alternative market, Vilas is also a leading reverse mortgage broker, allowing her to provide seniors security and stability in the face of financial stress. Outside of the office, she is the growth coordinator and past president of BNI Powerhouse, a global networking organization.

ENZA VENUTO

Principal mortgage broker

Centum InTouch Mortgage Solutions

Well versed in the alternative space, Enza Venuto has more than 45 years of experience in the financial industry. A proven leader in the field, Venuto has brokered more than $2.1 billion in funded mortgages to date. Her passion for finance, commitment to service excellence and her focus on what's best for clients earned her many accolades in 2017, including Centum's Optimus Diamond, Top Entrepreneur of the Year, Top Mortgage Brokerage and Top Franchise in Canada awards, along with spots on *CMP*'s Top 75 Brokers and Women of Influence lists, as well as its 2018 Hot List.

Most of Venuto's alternative lending business is focused on self-employed business owners referred by their accountants. A second stream of business is divorcing or separated individuals, who are often unaware of the borrowing options available to them. The needs of these two client segments are an opportunity for Venuto to provide value by assessing their situations, explaining their options and creating an action plan to help them achieve their goals.

"Clients who require alternative lending are not shopping rates – they need a solution," she says. "They listen to our advice and appreciate the financial strategy we provide. Most importantly, they appreciate the work we do as mortgage brokers to find them the right solution beyond traditional banks. They become our best clients, bringing us their repeat business and continued referrals."

ALTERNATIVE BROKERS

JOSH WENDELER

Mortgage broker

Neighbourhood Dominion Lending Centres

Josh Wendeler started in the mortgage industry in the summer of 2001, back when teams were uncommon, mentors were almost unheard of and learning the ropes was done through personal experience. "My first alt file was a disaster, except that it closed," he says. "After that, I promised myself I would learn to get good at it. I stalked Bill Nugent for a few months until he took me on as an associate. That's when I started to learn what I think is the best part of mortgage brokering: business-for-self, tough credit and private lending."

For Wendeler, the most rewarding aspect of his job is the fact that the alternative space offers an opportunity to build long-term relationships. He takes the time to develop a strategy for each client, ensuring that the client understands each step in the process. "Working alt files can be very time-consuming, so getting to know the lenders and their policies and building good relationships with underwriters is key to succeeding there," he says. "The other very important aspect is managing client expectations. Clients who believe they're AAA are going to have a hard time understanding why they're paying more."

JASON ANBARA

Mortgage agent

Mortgage Alliance

Born in Halifax, Jason Anbara moved to Ottawa in his late teens, where he finished high school and then earned a bachelor's degree in commerce with honours in international business at the University of Ottawa. He went on to become MBNA's, and later Bank of America's, top-selling sales associate in the city, while also working as a professional event promoter, running an import/export business and managing several rental properties.

Anbara is currently a mortgage agent and team leader at Mortgage Alliance, where he focuses on the type of lending that puts his clients in a better place. "I look for lenders that are solutions-driven to make my clients' dream of homeownership a possibility," he says. "Whether my clients are self-employed or salaried, we always find a way to deliver the good news."

ROBERT JENNINGS

Owner and mortgage broker

East Coast Mortgage Brokers

Robert Jennings believes "an alternative client is a client for life," and he takes pride in getting tough deals done, especially those that have been turned down elsewhere. With 17 years of experience in customer service, including 11-plus years in financial services, Jennings is part owner and the longest tenured advisor with East Coast Mortgage Brokers.

The firm's top producer for the past six consecutive years, Jennings won the Consumer Protection Award Certificate in 2013 and 2015, recognizing him as one of the top 10 Verico mortgage agents for insurance sales in Canada. He was also a finalist for the Alternative Mortgage Broker of the Year Award at the 2017 Canadian Mortgage Awards. In addition, Jennings' passion for giving back to his community has led ECMB to win the Community Impact Award from the St. John's Board of Trade.

AMEERA AMEERULLAH

Founder and CEO

Canada Mortgage & Financial Group

Ameera Ameerullah has been in the mortgage industry since 2001 and is the founder and CEO of Canada Mortgage & Financial Group [CMFG], an award-winning, solutions-based brokerage for self-employed, non-resident, new immigrant and real estate developer clients. CMFG's forte is assisting clients who don't fit the traditional banking guidelines; its team specializes in negotiating terms and finding suitable products for challenging situations. Ameerullah enjoys the flexible product options in the alternative space and the "success of providing affordable alternative solutions and improving clients' overall financial position."

Over the course of her career, Ameerullah has received several recognitions, including being named Best Alternative Lending Mortgage Broker of the Year at the 2017 Canadian Mortgage Awards and being named one of *CMP*'s Women of Influence.

Surrounded by a caring and experienced team of professionals, Ameerullah says, "We pride ourselves on our strong lender relationships and our commitment to stay abreast of their current guidelines and changes. Our team's impeccable attention to detail helps us match the structure of each transaction with the appropriate lender. Our team is also committed to educating clients on how to earn residual income and leverage real estate assets so that they, too, can build personal wealth. Sharing knowledge is a big part of our company's brand. We believe in the value of collaboration and are not threatened by sharing our knowledge with other financial professionals."

ALTERNATIVE BROKERS

LEANNE MYLES

Mortgage broker

Premiere Mortgage Centre

Leanne Myles started her career with national insurance company Manulife, where she began by working with financial advisors to restructure their clients' debt to free up more cash flow for investing. Thanks to her focused approach and deep desire to help people, Myles found her passion, and in 2013, she became a mortgage broker. Currently ranking among the top 20 brokers at Premiere Mortgage Centre, Myles always strives to be number one. She was also named a finalist for Best Alternative Lending Mortgage Broker of the Year at the 2017 Canadian Mortgage Awards.

Myles' many accolades can be attributed to her compassionate approach and her dedication to helping clients with bruised credit improve their circumstances. She conducts monthly coaching sessions with her alternative clients, as well as cash-flow planning. She has structured her business to ensure any private or alternative clients eventually transition over to the prime space and pay lower rates, which has led to a natural progression of repeat clients.

As part of her tireless efforts to advance the mortgage brokering profession, Myles served as a director for Nova Scotia on the CMBA Atlantic Division board of directors in 2017. She also founded the More than Mortgage Brokers Society, which has raised $17,000 to help sick individuals pay their mortgages so they have one less thing to worry about while undergoing treatment.

CRYSTAL MAMCHUR

Owner and broker

Flare Mortgage Group

Crystal Mamchur credits the success of her 15-plus-year career to setting five-year goals; once she achieves those goals, she pushes herself back into what she calls "the uncomfortable zone" to achieve more. After working as a personal banker for five years ATB Financial, Mamchur moved into a mortgage specialist position at ATB before becoming a licensed mortgage associate with Verico iMortgage Solutions. "After five years, I decided it was again time for growth, change and being uncomfortable, so I opened a Verico sub-franchise named Flare Mortgage Group in October 2017," she says. Since its launch last year, Flare Mortgage Group has doubled in size.

Until recently, Mamchur concentrated on A lending, but with the new OSFI changes that took effect in January, she's seeing more and more of her business head toward the alternative space.

"What I enjoy most about being more involved with our alternative lenders is providing solutions for clients who may not have thought homeownership was a possibility," Mamchur says. "It also helped me build confidence in my referral partners and increase my network. Having the ability to provide financing for self-employed clients who were previously declined with an A lender, or helping existing homeowners use the equity in their homes to increase cash flow and rebuild their credit and net worth, is incredibly rewarding and creates a sense of accomplishment for everyone involved."

SHIRL FUNK

Owner and broker

Shirl Funk Mortgages

Shirl Funk started her financial career in 2001 before diving into the mortgage industry eight years later. Last year, Funk made the decision to branch out on her own and launched Shirl Funk Mortgages, powered by The Mortgage Centre. Often called 'the B Queen' due to her vast knowledge of B lending, Funk concentrates on alternative and private lending, along with residential A lending.

"One of the things I enjoy most about working in alternative lending is that most of the clients I take down this road have had some form of financial trauma – an event that has given them no other choice," Funk says. "My usual plan for them is to try to keep the alternative option to as short a term as possible, giving the client a little breathing room and a chance to straighten out and fix the financial issues that put them there. I love helping people, and my alternative lenders have allowed me to assist a wider range of clients in achieving their dreams. To me, that is what my job is all about."

ALTERNATIVE BROKERS

SHANNON HILLMAN

President

BlueShore Pacifica Alternative Mortgage Centre

Shannon Hillman has more than 24 years of real estate finance experience in residential, alternative and commercial mortgage lending. She is a founding partner and a director of Capital West Mortgage, specializing in investor portfolio management and alternative mortgages, as well as a managing director of Pacifica Mortgage Investment Corporation, a mortgage investment fund managed by Capital West and BlueShore Financial.

In September 2015, Hillman was appointed president of BlueShore Pacifica Alternative Mortgage Centre, a company that underwrites for both Pacifica Mortgage Investment Corporation and BlueShore Financial's non-traditional mortgage portfolio. Since its inception in 2014, the firm has funded more than $500 million in mortgages.

"BlueShore Pacifica Alternative Mortgage Centre is unique in today's mortgage market," Hillman says. "With one application, we are able to offer two alternative mortgage options: a top-ranked credit union, BlueShore Financial Credit Union, and a long-established mortgage investment corporation, Pacifica Mortgage Investment Corporation. This creative solution offers brokers faster, more efficient access to a wide range of mortgage solutions.

"Working in the alternative space allows me to see all types of deals," Hillman adds. "I love the diversity of the deals that cross my desk. They keep my work fresh and interesting, and I am constantly being challenged."

AMY COBURN

Mortgage broker

Real Mortgage Associates

Amy Coburn has been part of the financial industry for 26 years. Her background in banking has given Coburn a unique approach to her clients – she takes a holistic view with each application, keeping the client's overall financial health and cash flow in mind and creating a customized plan for each client to help them work toward their financial goals.

Coburn's main business focus is residential lending, and she truly enjoys the alternative space. "It allows opportunities for people to work on bettering their financial well-being," she says. "As we all know, money issues are a leading cause of stress for people. Being able to relieve some of that stress, set them up on a customized plan and work with them over the years to move them back to regular channels is one of the most rewarding aspects of this job."

COLE HENNIG

President

Plan B Mortgage Services

There aren't too many people who can lead a company before the age of 30, but that's exactly what Cole Hennig has done. In 2017, at the age of 26, Hennig took over as president of Plan B Mortgage Services, continuing to grow the company in the alternative lending space. No matter how challenging, Hennig works clients' files through countless lender contacts until he finds a solution.

Hennig says he finds alternative lending "much more interesting than the A space. In most cases that we deal with, there has been some sort of issue or cause as to why the clients are subjected to paying higher rates/fees than through the AAA space, and being tasked with not only finding them financing that works for their situation, but also helping them create and build a path to return to best rates, is both more interesting and more rewarding."

While he has a knack for business, Hennig is most proud of the time he spends giving back to his community. Born and raised in the Tri-Cities, he has contributed to several local charities, including sponsoring families at Christmas through the SHARE Family & Community Services Society and donating blood through Canadian Blood Services.

KIKI BERG

Mortgage strategist

Dominion Lending Centres Hilltop Financial

Kiki Berg is passionate about making a difference in the lives of homeowners, particularly those who have experienced life's ups and downs and need help getting back on track financially. After experiencing a costly and upsetting interaction with a mortgage broker while refinancing her own mortgage in 2007, Berg realized she wanted to help educate borrowers about the home-buying and mortgage financing processes to protect them from potential pitfalls and make it a positive experience.

Licensed in 2008, Berg is an experienced alternative lending broker who believes there's a financial solution available to all borrowers. She digs deep to find resources, place clients with ideal lenders and build an exit strategy to help improve clients' credit and finances while educating them on the benefits of owning real estate investment properties to grow wealth. In order to help ensure future financial success, Berg coaches clients and builds a five-year plan for improvement, in addition to hosting monthly educational workshops. She has been featured as an expert in the *Globe and Mail*, *Business in Vancouver* and several local publications, where she has discussed topics such as divorce, bankruptcy and real estate investing.

ALTERNATIVE BROKERS

TERRILYN MOORE

Mortgage broker

Your Mortgage Your Way

After spending more than 15 years at a law office, where she worked on real estate transactions, survey development, estates, accounting, collections and office management, Terrilyn Moore joined the mortgage broker industry, where she has remained for the last nine years. Specializing in non-traditional financing for people whose credit has suffered due to life circumstances, Moore is passionate about walking clients through the entire process, not only helping to secure financing for their home, but also assisting with debt consolidation or restructuring.

Moore's strong legal background, coupled with her extensive customer service experience, has helped her better understand each client's needs and circumstances. "I really do love helping people who have been turned down by their bank," she says. "I love to see that look on their face when they are living paycheque to paycheque, trying to pay their debts, and I say to them, 'You've been approved, and it will be saving you thousands of dollars in interest over the term.' I enjoy teaching them how to restore their credit and to get back on track."

KHIDER EL KADRI

Mortgage broker

TMG The Mortgage Group

Khider El Kadri is a mortgage broker with TMG The Mortgage Group, servicing the Calgary area. He has been licensed for 10 years and has extensive financial services experience, including work in banking and mortgage underwriting.

El Kadri can quickly identify the actions needed in the early phases of an application to ensure a successful transaction. His passion is working on the more difficult mortgage deals with clients who have little or no hope. These transactions tend to be complex, yet are good business deals. His primary goal is to help his clients eliminate stress and anxiety by offering them options that improve their overall financial position. Most importantly, El Kadri always does what's best for his clients.

ADAM C. COULTISH

Partner

The Funding Department

Now entering his sixth year as a mortgage broker, Adam Coultish is passionate about empowering brokers to grow their businesses, thereby strengthening the industry as a whole. Several years ago, Coultish and his partners saw the significance of branching into the alternative space and began to focus their efforts in that direction. Today, their primary business is The Funding Department, a national mortgage broker support desk for all brokers and their challenging files. Coultish and his team believe in an 'open curtain' approach to co-brokering, providing brokers not only with the convenience of obtaining full-service assistance, but also with the knowledge and confidence to handle alternative financing.

When asked what he enjoys most about the alternative space, Coultish says, "We have always enjoyed the clients, as they are super appreciative of a solution. Many of our clients are also business owners and self-employed, so they are great to work with, as we understand their challenges most and they are repeat clients. Now with The Funding Department, our fellow brokers are our clients too, and we love working with brokers and providing them with help and peace of mind and growing with them."

STEVE DOSTAL

Mortgage agent

The Mortgage Warrior

A mortgage agent with more than 13 years of experience in Brantford, the GTA and surrounding areas, Steve Dostal prides himself on his ability to advocate for his clients' needs, acting as the intermediary between them and lenders. Focusing on hard-to-place deals, Dostal looks at each client's situation to find the solution that fits them best.

"It takes a different mindset to be able to service these types of deals," he says. "They're not all equal, and that's what makes it challenging to solve. There is a great deal of satisfaction in knowing you closed their deal when others couldn't."

The BOSS of integration and digital customer experience

MortgageBOSS™ celebrates its 10th anniversary with the launch of an updated platform designed to make brokers' jobs even easier

MORE THAN 4,000 users manage their day-to-day mortgage business on MortgageBOSS™. The system is dedicated to helping brokers manage and successfully grow their businesses by systemizing all processes and workflows, establishing and integrating key partner relationships and services, and automating communications and lead-generation programs. MortgageBOSS™ has a seamless ability to integrate and deploy tools that enhance customer interaction with user brands and mortgage professionals, which not only optimizes the digital experience for everyone, but also materializes our goal to become the customer's best ally in today's highly competitive playing field.

"It's hard to believe we're already celebrating 10 years of MortgageBOSS™ and the launch of our most recent version, MortgageBOSS™ 5.0," says Christa Mitchell, VP of sales, support and user experience at MortgageBOSS™. "It's really rewarding to see how much the platform has evolved, fulfilling a long-term vision and providing mortgage professionals with a fully integrated system that allows them to operate at maximum efficiency and achieve their full potential."

Key features

Single login: MortgageBOSS™ users can manage their deals from start to finish, including all related business requirements, in one place via a single login. From direct deal submission to websites, mobile apps and industry deal submission software, information then flows automatically into the various system components, including document storage, compliance and audit, payroll, reporting, expenses, CRM, and other automations, allowing for a smooth process and a more professional customer experience.

Seamless integration with BOSSConnect: One of the most important developments is the establishment of direct connections between the system and lender platforms. Most recently, MortgageBOSS™ announced

Brought to you by Mortgage BOSS

the successful establishment of a direct connection with First National's MERLIN platform – a huge milestone and great news for MortgageBOSS™ users.

"Our philosophy has always been to encourage and participate in initiatives that both benefit brokers and enhance the customer experience," says Ben Kawa, national director of sales and strategic relationships at First National. "We're very excited to be one of the first direct to lenders on MortgageBOSS™."

This direct connectivity with key lenders now offers brokers unprecedented options, convenience, opportunities and seamless efficiency. It gives users the unique ability to take applications, pull their choice of credit bureau and submit a complete application, along with supporting documentation, directly to participating lenders. With many other lenders and partners on the system, including Money Market, Equifax, TransUnion, CMHC, Purview, Brookfield, Collabria and other key partner integrations, MortgageBOSS™ users can access important partner services at their fingertips.

More than just mortgages: Most brokerages offer an array of other financial products and services that enhance the customer experience and build sustainable and consistent revenue streams for brokers. MortgageBOSS™ allows for the integration and automation of these product and service offerings – including creditor life insurance, unsecured and secured loan programs, credit cards, leasing, commercial lending services, and more – to the brokers' existing mortgage processes.

"We don't merely make these services available on the system; we build intelligence around them to leverage the data we already have to provide a smart and highly efficient solution," Mitchell says. For example, applicants are prequalified automatically for the Mastercard program based on the information in the deal, and a prefilled application with a built-in authentication process is made available for the broker to email or print out.

Automation of communications: Communications are vital for success in our industry, and MortgageBOSS™ is equipped with various automated email-based lead-generating communication programs that are CASL-compliant and super easy to use. Networks on the system can build automated programs that brokers can opt in and out of at the broker or deal level, allowing for branded and customized communication solutions. The system also supports direct mail follow-up programs for the various networks using different data triggers for maximum relevancy and effectiveness.

Leading the digital customer experience

The latest mortgage consumer survey from CMHC reveals that almost half of mortgage consumers feel comfortable using technology to arrange their next mortgage transaction, while 40% of consumers feel comfortable using secure online tools and apps. As such, offering a robust digital experience is no longer a 'nice to do,' but a 'need to do' in today's fast-paced industry.

Mobile and a prequalification tool: MortgageBOSS™ is equipped with a consumer mobile app feature and a prequalification tool for participating users, giving customers unique digital resources at the click of a button. The prequalification tool was recently launched and has been a great success for participating networks. The tool allows customers to obtain an instant online prequalification using the guidelines from many different lenders. Customers receive a free credit score and a prequalification certificate confirming their maximum mortgage amount. Customer information feeds into the assigned brokers' systems for review and subsequent communications.

Smart applications on both ends: Once they're ready to apply, customers can choose between an EZ application, short application and long application to accommodate preferences. Completed online applications feed into the associated broker system, showing up as a new opportunity. MortgageBOSS™ even takes application efficiency one step further, allowing brokers to generate credit-driven applications that are auto-populated using the information from the credit bureau with a click of a button.

Requesting docs like a pro: Brokers can now choose which documents they need to request from customers and activate Safe Docs. This sends a broker-personalized email to customers with an upload mechanism for required documentation. Customers can then securely upload their docs directly to their file in MortgageBOSS™.

Keeping customers informed: Customers are automatically enrolled in automated communications on behalf of participating brokers to keep them informed, encourage referrals and ensure repeat business. Users can opt in and out and are easily able to see the performance of these campaigns through MortgageBOSS™ reporting.

"We are continuously building a system for tomorrow with agent efficiency and exceptional customer experience as its foundational core," Mitchell says. "We are proud to be servicing the broker community and look forward to a successful year ahead." CMP

"We are continuously building a system for tomorrow with agent efficiency and exceptional customer experience as its foundational core"

Christa Mitchell, MortgageBOSS™

For more information about **MortgageBOSS™**, visit mortgageboss.ca, follow us on Facebook or contact info@mortgageboss.ca to schedule a demo.

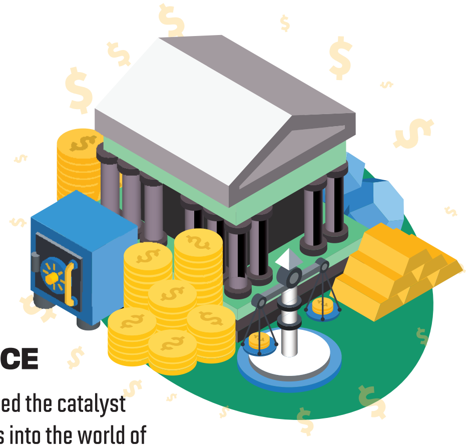
NO OPPORTUNITY WASTED

Matt Leggett has always pushed himself in the direction of his fears, and so far it has been a recipe for success

2000 GETS AN EDUCATION

Victoria-born Leggett tapped his talents for math and finance when choosing an educational path, opting to study business

"At the time I was not sure what I wanted to do; the opportunities that were available in Victoria meant you had to have schooling"



2005 ENTERS FINANCE

A move to Calgary provided the catalyst for Leggett's first steps into the world of finance when he was hired as a customer service rep for a bank

"I handled small business, the deposits of pubs and cafés. There were many Friday nights where the manual balance might have been off by $20, but you couldn't go home until it balanced. You had to get it done, no matter what it took. It made me appreciate the back end of banking"

2006 GETS A TASTE OF MORTGAGES

Having mastered his customer service position after a year, Leggett decided to tackle mortgages, despite an initial case of stage fright

> "Mortgages were really intimidating – so complex and so much work. It almost scared me away. I started off doing one mortgage a month. It was just a taste, but enough to let me know I wanted to be on the mortgage side"

2008 GETS A CRASH COURSE IN UNDERWRITING

Leggett went on to take an underwriting position that changed everything

"It was like a crash course – in a week, you're doing more mortgages than you might do in the branch in a whole year. It was the perfect position to understand everything about mortgages before I went to do something more entrepreneurial. The top-performing mortgage specialist by volume offered me a job working directly with her because she saw how efficient I was"

2009 GAINS CONFIDENCE

Leggett's role as a mortgage specialist's de facto assistant introduced him to the many sides of mortgages

"She was my mentor; I learned so much from her in those early days. That experience gave me the confidence that I knew what I was doing, that I was good not just at underwriting but at mortgages, and made me realize I wanted to focus more on mortgages"

2011 FINDS TRUE NORTH

When one of his colleagues decamped to True North Mortgage, she opened the door for Leggett to join the company, where he became a mortgage broker in his own right

"Everyone wanted to work at True North, but she got my foot in the door. Within six months, I was the top True North performer in Canada. I became a store manager after my first year"

2015 HELPS CANWISE EXPAND

When True North COO James Laird left to found CanWise Financial, Leggett proposed opening a Calgary office for the new company. The next several months saw him looking for office space and building desks on his own

"My last day at True North was the same day my second child was born. We worked on CanWise for six months; it was nerve-racking because it meant starting from scratch, but it was an opportunity I had to take"

OTHER LIFE

TELL US ABOUT YOUR OTHER LIFE
Email mortgagebrokernews@kmimedia.ca

Cody's dance repertoire includes the quickstep, waltz, foxtrot, samba, rumba and cha-cha

15	100	40
Number of dance styles Cody is familiar with	Estimated number of routines Cody has learned over the years	Typical number of dances at the weekly dance party Cody attends

JUST DANCE

Jeff Cody escapes the stress of the mortgage industry by taking to the dance floor

JEFF CODY'S introduction to ballroom dance was nothing short of destiny: Twelve years ago, the Ottawa-based broker and his wife went to a charity function and independently bid on dance lessons in two separate silent auctions. When they won both, "we said, 'That's fate!'" Cody recalls. "We got that start, and we just kept going."

Now dance is an integral part of the couple's life – each week includes a private lesson, a group lesson and a party held at the same studio where they take classes.

Apart from the fact that dancing makes for fantastic exercise, another big benefit is stress relief. "It clears my mind, and in this job your mind is always going," Cody says. "When you're dancing, there's no time to think."

Cody has also found the hobby to be an unexpected lead generator, given that his fellow dancers get to know him over time. "I've been approached on the dance floor more than once by someone saying their mortgage is coming up for renewal," he says.

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