

March 23, 2020

The Honourable Carole James, Minister of Finance and Deputy Premier
Room 153 Parliament Buildings
Victoria, BC V8V 1X4

Via email carole.james.MLA@leg.bc.ca; FIN.Minister@gov.bc.ca

Dear Minister James,

Re: Needed Relief for Mortgage Brokers

I write on behalf of British Columbia's mortgage broker community in relation to the challenges which members find themselves in with regards to the current, global COVID-19 pandemic.

As you know, we are in the midst of a global health care crisis, which has the impact of creating financial uncertainty for the small business community, which includes mortgage brokers, lenders and their mortgage borrower and investor clients. This is without question, the single most challenging time for the community in modern history. Businesses are being challenged with determining how to make ends meet and are grappling with potential layoffs, financial uncertainty and making other painful decisions, including business closures, which might end up being permanent. The scheduled sizeable increase in mortgage registration fees will undoubtedly result in fewer brokers renewing their registrations. A drastic drop in the number of mortgage brokers and lenders will also hurt all British Columbians by reducing financial competition and options at a critical time when they need solid, reliable mortgage advice and solutions.

Different levels of government have responded to the crisis by providing relaxations and extensions to obligations to pay various fees, bills and taxes. For instance, I understand that your government has now extended deadlines for provincial tax filings and

payments to September 30, 2020, which applies to the Employer Health Tax, the provincial sales tax, municipal and regional district tax, the carbon tax, the motor fuel tax and other taxes. Such actions recognize the unprecedented economic challenges facing us all in these difficult times.

In light of these dire circumstances, pending fee increases scheduled for implementation on April 1 pursuant to Order in Council 645/2019, which represent a 250% hike, seem badly timed. The fee hikes will unquestionably have a devastating impact on the mortgage broker sector in BC, and will undoubtedly lead to unemployment. I am wondering if you would consider acting as you and other government ministries and organizations have done in other matters and provide relief by deferring scheduled fee hikes. In addition, we also believe it is necessary and prudent to temporarily suspend the application of punitive, late filing fees, which are provided for in the regulations to the Mortgage Brokers Act.

I believe these requests to be reasonable and measured in this unprecedented time. I believe such relief would go a long way towards helping to instill confidence and ensure business continuity in a community currently experiencing crisis.

Yours truly,

A handwritten signature in black ink, appearing to read 'S. Gale', written in a cursive style.

Samantha Gale
CEO, Canadian Mortgage Brokers Association-BC

Cc. Blair Morrison