

5.1.5 Amendments to Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions

**AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 45-501 ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS**

1. ***Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions is amended by this Instrument.***

2. ***Section 1.1 is amended by adding the following definitions:***

“qualified syndicated mortgage” means a syndicated mortgage that satisfies all of the following:

- (a) the syndicated mortgage secures a debt obligation on property that satisfies all of the following:
 - (i) it is used primarily for residential purposes;
 - (ii) it includes no more than four units;
 - (iii) it includes no more than one unit that is used for non-residential purposes;
- (b) the syndicated mortgage does not secure a debt obligation incurred for the construction or development of property;
- (c) at the time the syndicated mortgage is arranged, the amount of the debt it secures, together with all other debt secured by mortgages on the property that have priority over, or the same priority as, the syndicated mortgage, assuming in all cases that the maximum amounts of any such mortgages are fully drawn, does not exceed 90 per cent of the fair market value of the property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the property;
- (d) the syndicated mortgage cannot be subordinated to future financing without the consent of each lender;
- (e) there is no existing agreement that requires any lender of the syndicated mortgage to consent to future subordination of the syndicated mortgage;
- (f) no person has the ability to consent to future subordination of the syndicated mortgage on behalf of the lenders of the syndicated mortgage without obtaining the consent of each lender;

“syndicated mortgage” means a mortgage in which two or more persons participate, directly or indirectly, as a lender in a debt obligation that is secured by the mortgage;.

3. ***Part 2 is amended by adding the following section:***

2.10 Mortgages –

(1) The prospectus requirement does not apply to a distribution of

- (a) a mortgage, other than a syndicated mortgage, on real property in a jurisdiction of Canada,
- (b) a qualified syndicated mortgage on real property in a jurisdiction of Canada, or
- (c) a syndicated mortgage on a real property in a jurisdiction of Canada to a permitted client,

by a person that is registered or licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*.

(2) The first trade in a security acquired under paragraph (1)(c) is a distribution..

4. ***Part 3 is amended by adding the following section:***

3.5 Mortgages – The dealer registration requirement does not apply in respect to a trade in

- (a) a mortgage, other than a syndicated mortgage, on real property in a jurisdiction of Canada,
- (b) a qualified syndicated mortgage on real property in a jurisdiction of Canada, or
- (c) a syndicated mortgage on a real property in a jurisdiction of Canada with a permitted client,

by a person that is registered or licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*..

5. This Instrument comes into force on the later of the following:
- (a) March 1, 2021; and
 - (b) the day on which sections 4 and 5 of Schedule 37 to Bill 177, *Stronger, Fairer Ontario Act (Budget Measures), 2017* are proclaimed into force.