

## THE 10 GOLDEN RULES

to reduce the risk of professional liability claims for errors, faults or omissions

**1** STAY WITHIN YOUR  
FIELD OF EXPERTISE

To protect yourself, you must make it clear to your clients that they need to contact other professionals for questions that are outside your field of expertise.

**2** PUT IT IN WRITING  
AND DOCUMENT

Many claims result in compensation being paid to a client due to a lack of information in the file, leading to a financial loss for the broker, who has to pay the deductible. So document, document, document. Put everything in writing.

**3** KEEP NEAT AND  
COMPLETE RECORDS

Develop good habits:

- **Enter the date** of receipt of all documents.
- **Complete all required forms** on a daily basis.
- **Summarize your telephone conversations.**
- **Organize all your documents in a set order.**
- **Keep your records** for at least six years.

**4** DISCLOSE ANY  
CONFLICT OF INTEREST

Always remember that disclosing conflicts of interest is not an option, it is a legal obligation. When you find yourself in this situation, you must immediately notify the parties and indicate the nature of the conflict on the immovable's detailed description sheet.

**5** COMMUNICATE

Always be clear. Don't hesitate to repeat to make sure the client has clearly understood your words. It is especially important for a broker to be transparent and objective. Good communication will help you manage the risk of claims for involuntary errors or omissions.

**6** DO NOT DISCRIMINATE

Be fair by offering the same professional service to each of your clients, regardless of social, racial or cultural profile.

**7** DO NOT ASSUME, ASK

Contrary to what some might think, it is much better to be frank and tell you client when something is beyond your field of expertise. Your client will trust you more because he will see that you are honest.

**8** VALIDATE ALL  
INFORMATION

Every broker has an obligation to verify. Consequently, the broker will be held responsible for any error, even if the information was provided by the owner, whether or not this was done deliberately.

**9** DO NOT  
INFLATE FACTS

Prevent snags by sticking to objective facts, dates and figures, and avoid using descriptions with exaggerated qualifiers or superlatives. A real estate or mortgage brokerage professional must provide accurate facts and data.

**10** RECOGNIZE  
ALARM SIGNALS

When you are approached to represent a seller, take the time to make a thorough visit of the property before you agree to list it. Ideally an inspection of the property should be a condition of the promise to purchase. If a client refuses to have certain elements verified, make a note of this in order to guard against false allegations that could surface down the road.

# THE 10 GOLDEN RULES

## of Mortgage Brokerage

1

STAY WITHIN YOUR  
FIELD OF EXPERTISE

Tell your clients that they need to contact qualified professionals for questions that are outside your field of expertise.

2

DO NOT DISCRIMINATE

Offer the same professional service to each of your clients, regardless of origin, age, sex or religion.

3

OBTAIN THE CLIENT'S CONSENT

Have a brokerage contract signed by your client before you get credit references or disclose personal information to your partners involved in the transaction.

4

MANAGE CONFIDENTIAL  
INFORMATION

Make sure you keep all your clients' confidential documents in a safe place.

5

DO NOT ASSUME, ASK

Answer your clients' questions to the extent of your expertise. If necessary, verify your facts before giving the client an answer. Your honesty regarding the scope of your professional knowledge will put your clients at ease and increase their trust in you.

6

VERIFY THE IDENTITY OF AND  
THE INFORMATION PROVIDED  
BY EACH CLIENT

Verify the identity of each of your clients. Ask to see at least two pieces of ID. Verify the authenticity of the documents submitted.

7

BE TRANSPARENT

Inform your clients that you will receive compensation from the lender or a market intermediary.

8

INFORM YOUR CLIENT AND THE  
OTHER PARTIES OF ANY DELAY IN  
PROCESSING AN APPLICATION

Tell your client and all the professionals involved in the transaction if the approval process is going to take longer than originally estimated and indicated in the promise to purchase.

9

PROVIDE INFORMATION  
BASED ON ACTUAL FACTS OR  
WRITTEN DECISIONS

Do not presume what a lender's decision will be. Avoid confirming approval or refusal to the client or the other parties before all conditions have been fully met or the lender has confirmed refusal.

10

IF YOU ARE INVOLVED IN A REAL  
ESTATE TRANSACTION, DECLARE YOUR  
AFFILIATION WITH THE OACIQ

Inform the other parties and fill out the disclosure form before completing the transaction documents.