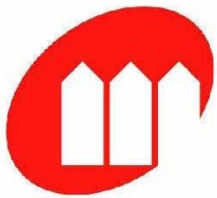


Policies And Procedures



The Mortgage Centre

We work for **you**, not the lenders.

BLUEPRINT MORTGAGES & LOANS INC.

Licence # 10538

Privacy Policy¹

At Blueprint Mortgages and Loans Inc. (operating as Mortgage Centre, The) (herein after referred to as "Blueprint Mortgages"), we are committed to protecting the privacy and confidentiality of the personal information of our clients (individually, the "Client" and collectively, the "Clients".) As financial service providers, we have a professional obligation to maintain in confidence information we receive within our role as a financial services provider. The purpose of this Privacy Policy is to advise clients as to why we ask for personal information, how we use it, what safeguards we employ, and how to contact us with privacy-related matters.

What Is Personal Information?

In this Privacy Policy, "Personal Information" means information that is gathered in connection with an application, pre-approval, request for information for a mortgage(s) or loan(s) and insurance or other product through Blueprint Mortgages or Blueprint Mortgages affiliates and is provided to, or collected by, Blueprint Mortgages and its staff or by Blueprint Mortgages' agents, associates, and affiliates on Blueprint Mortgages' behalf (collectively, "Blueprint Mortgages").

Why Blueprint Mortgages Collects Personal Information

Blueprint Mortgages collects and uses Personal Information for the following purposes:

- Provide mortgage brokering services to the Client and offer products and services best suited to their needs, including arranging and/or renewing loan(s)/mortgage(s), informing the client of group creditor insurance and other products offered or approved by Blueprint Mortgages or its affiliates that may be of interest to the Client;
- Checking Client credit worthiness through credit bureau inquiry and personal information agents who have information on a Client's financial position.
- Advising Clients of the financial options, as well as, ongoing developments of the mortgage market and industry;
- Auditing the services provided to our Clients;
- Compliance with all municipal, provincial, federal and other applicable laws; and
- Such other specific purposes which are communicated to the Client by a member of Blueprint Mortgages before collection of such Personal Information.

Except when otherwise permitted by law, we will only use a Client's Personal Information for the purposes identified to the Client. When Personal Information is to be used for a purpose not identified, we will take all reasonable steps to ensure that new purpose is identified prior to use.

How Do We Collect Personal Information?

The Client is our main source of information. With the Client's consent, we may also obtain information directly from a third party to help us determine eligibility for various financial

¹ Regulation 188-08, Section 57, PIPEDA

products and services. For credit matters, for example, it is essential that we know the clients' financial worth as well as the clients' credit record. We will also contact other lenders, financial institutions, credit bureaus and employers. Consent is therefore important because without it, we will not be able to carry out the appropriate inquiries and it might be difficult for us to offer the credit product requested. In most cases, consent is given on the forms used for specific products or, from time to time, on a separate form. The declaration of consent is clear and unambiguous.

Consent

A clients' provision of Personal Information to Blueprint Mortgages means that they agree and consent that Blueprint Mortgages can collect, use and disclose such Personal Information in compliance with this Privacy Policy. Blueprint Mortgages will not collect, use or disclose a Client's Personal Information without the Client's requisite consent, except in certain extraordinary circumstances. Such extraordinary circumstances shall include without limitation, when legal, medical or security reasons make it impossible or impractical to obtain consent or where it is otherwise in the best interests of the Client.

The most common method we use to obtain a Client's consent is by way of the Client's consent as confirmed by the application. Where practicable, we may also obtain a Client's consent through oral communications or other written documentation.

Our Clients may withdraw their consent by written notice to us at any time, subject to any legal or contractual restrictions and reasonable notice. A Client's refusal to provide, or subsequent withdrawal of, his or her consent may affect Blueprint Mortgages' ability to provide the Client with mortgage services. A member of Blueprint Mortgages will inform the Client of the implications of such withdrawal. To withdraw consent, a Client should contact the Chief Privacy Officer in writing at:

Attn: Chief Privacy Officer
Blueprint Mortgages and Loans Inc.
255 Duncan Mill Road, Suite 902
Toronto ON M3B 3H9
Phone: 416.386.9911
Fax: 416.386.9922

Use and Disclosure of Personal Information

We will use a Client's Personal Information to provide financial advice and services to the Client, to administer our database, to include Clients in direct marketing Activities and for the other uses described above under the heading "Why Blueprint Mortgages Collects Personal Information". Under certain circumstances, Blueprint Mortgages will disclose a Client's personal information to third parties. Specifically, Personal Information may be used, shared and disclosed to, from, or with, the members of Blueprint Mortgages, witnesses in a litigation proceeding, experts retained on a Client's behalf, private investigators, agents retained on behalf of a Client, credit reporting agencies, credit bureaus, as well as such other third parties as are necessary to facilitate the matter for which the Client has retained our office and provided its consent.

Under certain circumstances Blueprint Mortgages may disclose Personal Information where:

- required or authorized by law to do so, for example if a court issues a subpoena;
- a Client has consented to the disclosure;
- when mortgage services by Blueprint Mortgages are provided to a Client requiring us to give Personal Information about a Client to a third party (for example, to a lender in a real estate mortgage transaction) the Client's consent will be implied, unless the Client tells us otherwise;
- where it is necessary to pull a credit bureau for purposes of processing a mortgage transaction;
- if Blueprint Mortgages engages a third party to provide administrative or support services to us (such as computer back-up services, shredding or archival file storage) and the third party is bound by our Privacy Policy;
- protection of Blueprint Mortgages' best interests;
- protection of public interests such as the denouncement of criminal Activity such as fraud or money laundering. In all such cases, authorities are contacted and personal information may be disclosed;
- if we retain a law firm(s) to Act on our behalf for any reason; or
- if the information is already publicly known.

Limiting collection and retention of Personal Information

Blueprint Mortgages limits the collection of a Client's Personal Information to that which is necessary for the purposes identified in this Privacy Policy as same may be amended from time to time, or for any additional purpose identified to the Client before the collection of the Personal Information. As well, Personal Information is not used or disclosed for purposes other than those for which it was originally collected, except with the consent of the Client or as otherwise permitted by law.

Blueprint Mortgages will retain Personal Information only for so long as it is needed to fulfill the purposes for which it was obtained and to meet our professional requirements as set out our governing regulatory bodies and/or any other legal requirement, statutory or otherwise, from time to time.

Accuracy

Blueprint Mortgages strives to ensure that a Client's Personal Information is as accurate, complete, and up-to-date as is necessary for the purposes for which it is used.

Safeguards

Blueprint Mortgages endeavors to maintain adequate safeguards to protect against loss, theft, unauthorized access, disclosure, copying, use or modification of Clients' Personal Information in the care of Blueprint Mortgages. Blueprint Mortgages uses various methods to safeguard personal information, including physical security, computer and electronic security, destruction of information no longer needed, and contractual protections with third party data processors.

Protection

Client lists are never passed on to third parties other than affiliated members of Blueprint Mortgages. When they are hired, our employees and agents must undertake to respect the confidential nature of client information. Only employees and associates who need to view the file as part of their work have access to this information.

Accountability, Openness and Client Access

Blueprint Mortgages is responsible for the Personal Information under its control and has appointed a Chief Privacy Officer to oversee our efforts to comply in all material respects with applicable privacy legislation and the terms of this Privacy Policy. The Chief Privacy Officer and those designated by the Chief Privacy Officer address and investigate questions or concerns regarding a Client's Personal Information.

Blueprint Mortgages will provide a Client access to their Personal Information. The Client may correct or amend any inaccuracies in the Client's Personal Information. Blueprint Mortgages has the right to refuse a request for access to Personal Information if:

- The information is protected by legal privilege;
- Granting access would reveal confidential commercial information;
- The information was collected for purposes related to the detection and prevention of fraud;
- The information was generated in the course of a formal dispute resolution process;
- The information would likely reveal personal information about another individual;
- The request is vexation or frivolous;
- To protect our firm's rights and property.

Changes to Privacy Policy

Blueprint Mortgages will from time to time review and revisit privacy practices and this Privacy Policy.

Blueprint Mortgages Web site

Our Web site may contain links to other sites, which are not governed by this Privacy Policy. On our Web site, like most other commercial Web sites, we may monitor traffic patterns, site usage and related site information in order to optimize our web service. We may provide aggregated information to third parties, but these statistics do not include any identifiable personal information.

Communicating With Blueprint Mortgages

We recognize that convenience and quick access to advice must be balanced with security needs. We use many different means to communicate with clients, some of which are more convenient such as e-mail. Our emails are sent with industry standard 128 bit encryption. Such encryption however does not guarantee privacy and security as encrypted messages can nonetheless be subject to interception and translation. If clients do not wish us to communicate by e-mail, they may speak with the consultant/broker/agent handling the matter about alternative arrangements.

Attn: Chief Privacy Officer
Blueprint Mortgages and Loans Inc.
255 Duncan Mill Road, Suite 902
Toronto ON M3B 3H9
Phone: 416.386.9911
Fax: 416.386.9922

AGENT PROTECTION OF DATA²

All agents and brokers will take reasonable steps to protect personal data supplied by clients.

All original documentation will be kept in secure premises not accessible to the public. Once a file is complete, any un-required documentation will be returned to the client immediately.

Original documentation will be submitted to head office in either hardcopy or electronic format prior to the closing of the transaction. While agents may retain copies of files, every effort must be made to safeguard the information on hand.

It should be noted that all files are the property of Blueprint Mortgages. Although brokers and agents may retain data for marketing purposes, the clients belong to Blueprint Mortgages.

Any documentation not further required, must be shredded immediately.

All electronic documentation must be password protected. Laptops containing client files shall not be left unattended in public areas.

HEAD OFFICE PROTECTION OF DATA

Head Office will take reasonable steps to ensure the security of the data of client files. Scanned documentation must be adequately protected and catalogued. All client records and personnel records will be kept in locked cabinets or in secured electronic format. All computers at head office will be password protected and data will be backed up on a regular basis by a third-party source.

² Regulation 188-08, Section 47

ADVERTISING³

All advertising will be in compliance with the standards of practice, as outlined in the Mortgage Brokerages Lenders and Administrators Act.

All advertising must be approved by the principal broker or designate before final orders are placed. This includes the ordering of business cards, printed material, websites, media advertising, flyers, brochures, and all other marketing materials.

The principal broker will approve the draft ad, and must also approve the final artwork or content before the order is finalized.

Business cards:

Subject to guidelines established by FSCO, the name Blueprint Mortgages and Loans Inc. will be prominent on all business cards. The brokerage license number will appear under the company name. The broker's or agent's name (as licensed with FSCO) will appear with the title **broker (or mortgage broker)** or **agent (or mortgage agent)** depending on their licensing qualifications. No other titles will be permitted on business cards. (Degrees such as **BA** or **MA**, or designations such as **AMP** or **CPMB** are acceptable directly after the person's name. However slogans related to the designation, such as *Accredited Mortgage Professional* or *Certified Professional Mortgage Broker* are not permitted as part of the title.)

If an agent is operating from a location where the public is invited to do business, this location must be listed as a branch office with head office and that address may be indicated on the business card. If the broker's/agent's location is not registered as a branch office, that address may not be shown on the business card. The Head office address must be listed and the broker's/agent's local phone number may be included on the card.

Use of names:

On all advertising materials, brokers or agents, where identified, must use their legal names as they are licensed with FSCO, or an alias or known-as name, which has also been licensed with FSCO. No other names are permitted in any advertising materials.

Yellow Pages:

Yellow Pages ads must be approved in advance by head office. In all display advertising, Blueprint Mortgages and the corresponding license number must be prominent. In addition, the broker's/agent's name and license qualifications (broker or agent) must also be indicated.

³ Regulation 188-08, Sections 5-7, Regulation 187-08, Sections 7-9

In the case of a simple listing, the listing must be in the name of Blueprint Mortgages. The broker's/agent's name as broker or agent may also appear in the listing, but under no circumstances may the listing be in the broker's/agent's name alone.

If operating a personal Corporation, that corporation must be invisible to the public. Its name cannot be used in any advertising or marketing materials and is there for payroll purposes only. The broker / agent must represent themselves as a broker or agent of Blueprint Mortgages at all times.

Websites:

Brokers and agents are permitted to maintain personal websites. Although the URL for the website may belong to the broker or agent, all content on the site shall refer to Blueprint Mortgages.

All content on the sites must be approved by head office. The homepage must refer to Blueprint Mortgages and show the license number of the company. All other pages must indicate that the agent or broker is a representative of Blueprint Mortgages, indicating the licensing designation.

Other forms of advertising:

The content, appearance, and messaging in all other forms of advertising must be consistent with Blueprint Mortgages' overall advertising philosophy. All advertising must be approved in advance by head office.

FILE HANDLING AND RETENTION⁴

Files in process:

All files that are in process should be maintained in accordance with the privacy policy and protection of data policy. Once complete, the file will be securely forwarded to head office for compliance audit and payment of fees due.

Completed files:

All completed files will be forwarded to head office. Upon receipt of the file, the Chief Compliance Officer or designate will review all documentation to ensure total compliance with MBLAA, 2006. A notation in the file will indicate that the file has been reviewed and complies.

Files that are deficient will be returned to the originating agent for rectification. No payment will be made to the broker or agent until the file is complete and satisfies all of the requirements.

File retention:

Completed mortgage files will be retained for a period of six years past the maturity date of the mortgage. All non-mortgage related documentation will be kept on file for six years.

Documentation relating to canceled or incomplete files will be maintained for a minimum of one year. All hard copies will be shredded after that point in time.

⁴ Regulation 188-08 Sections 47-48

COMPLAINTS⁵

The principal broker (or designate) shall Act as the Chief Complaints Officer for the company. Upon receipt of a complaint from a consumer or an investor, the Complaints Officer (or designate) will take immediate action to investigate.

Should the complaint relate to a completed file, the Complaints Officer will pull existing documentation on file with the company. The Complaints Officer will review the documentation, and then forward the complaint to the specific agent or broker for comment.

Should the complaint relate to a file in progress, the Complaints Officer will immediately contact the agent or broker responsible for the file and forward the complaint for comment.

The Complaints Officer will respond to all complaints verbally within 48 hours of receipt and will follow up with a written response as quickly as possible. The written response should suggest the matter be referred to FSCO if a satisfactory resolution cannot be achieved.

Should the agent or broker responsible for the file not be forthcoming in dealing with the matter, the Complaints Officer will take all reasonable steps to deal with the matter.

Should the complaint relate to an issue relating to the Mortgage Brokerage Lenders and Administrators Act, all efforts will be made to determine if the transaction was in compliance with the legislation. If a breach of the legislation is discovered, remedial Action will be taken immediately.

Should the complaint relate to a potential claim against the firm's errors and omissions insurance policy, the Complaints Officer will notify the insurer of the potential claim as soon as possible.

At no time will an agent or broker respond directly to a written complaint. Written complaints will immediately be forwarded to the Complaints Officer. All responses will come directly from the Complaints Officer.

All complaint documentation must be retained in accordance with file handling requirements.

⁵ Regulation 188-08, Section 9

USE OF FORMS⁶

Borrower Disclosure Forms

While the MBLAA 2006 does not provide for standardized borrower disclosure forms, all forms used by brokers and agents must be approved by Blueprint Mortgages. Should a broker/agent choose to use a form other than the one supplied by Filogix or Marlborough Stirling, those forms must be approved in advance and must be in total compliance with the legislation.

Brokers wishing to enter into contractual agreements with their clients must have all sample contracts and forms approved in advance prior to their use. All broker/client contracts must be in full compliance with MBLAA 2006.

Investor Disclosure Forms

Brokers or agents who deal with private investors must complete government authorized disclosure forms. **While the forms may be completed by an agent, they must be signed by a broker and co-signed by the agent before being forwarded to the investor for review.**

Other Documentation

All forms completed by head office with respect to MBLAA 2006 will be completed on authorized government forms at all times. The most current version of all forms must be used.

⁶ Regulation 188-08, Section 59

ERRORS AND OMISSIONS INSURANCE⁷

Blueprint Mortgages will subscribe to an Errors and Omissions policy in compliance with the MBLAA 2006. Coverage will remain in force of all times.

The Compliance Officer will advise the insurer of any new agents being hired or any agents or brokers leaving the firm as required in the policy.

Proof of insurance will be available to FSCO upon request.

All brokers or agents must notify the principle broker of potential claims immediately and provide all supporting documentation.

⁷ Regulation 188-08, Section 42

BRANCH OFFICES⁸

A branch office, as defined in the regulations, is any place where the public is invited to attend to transact business. Brokers and agents who maintain separate offices must list those offices as branches to be noted with FSCO. Any change of address for branch offices must be notified to FSCO within five days.

Brokers or agents who do not work out of a specified office, but invite the public into their home to do business must list their home address as a branch office.

A broker or agent who does not invite the public into their home, but simply runs a home-based office, is not required to notify FSCO of a branch. However, that address may not be listed on any marketing materials.

⁸ Regulation 193-08, Section 9

HUMAN RESOURCES⁹

Personnel files:

Head office will maintain a file for every broker or agent authorized to deal in mortgages on behalf of the company. This file will contain copies of the representative's qualifications, copy of photo identification, up to date contact information, and all other documents as deemed necessary during the hiring process. The file will also include any third-party contracts between Blueprint Mortgages, a broker/agent, and their personal corporation and with any lenders as required.

The personnel file should also include an acknowledgment that the broker/agent has received a copy of the company's policies and procedures and agrees to comply with such.

All brokers and agents must notify the principle broker (as well as FSCO via Licensing Link) of any change of address within 5 days.

For any new employees joining the company, a resume will be included in addition to the above information. The Compliance Officer will process the license application for new hires within five days of their joining the company. New hires will not be permitted to carry on the business of dealing in mortgages until their application has been approved by FSCO.

Except as outlined below, brokers and agents are prohibited from receiving ANY compensation for mortgage related activities from any source other than the brokerage.

Personal corporations:¹⁰

Should a broker or agent require that payment for services be paid to a corporation as opposed to themselves directly, a number of agreements must be in place before any funds can be advanced. The agreements must be in full compliance with the regulations of MBLAA 2006, in addition to agreements between the agent/broker and their personal corporation, which also signifies compliance with the legislation. The corporation may not receive any compensation for mortgage related activities from any source other than Blueprint Mortgages.

The corporation will supply copies of the corporate registration and advise the brokerage of any changes of officers and directors.

Receipt of non-cash consideration:¹¹

⁹ Regulation 188-08, Section 43

¹⁰ Regulation 407-07

¹¹ Regulation 187-08, Section 5

A broker or agent who receives nonmonetary compensation (basis points, reward points, or other rewards) directly from a lender must complete a three party agreement between themselves, the lender and Blueprint Mortgages, whereby Blueprint Mortgages acknowledges payment of those items directly to the broker/agent and does not object to same.

SUPERVISION¹²

As required under MBLAA 2006, all agents must work under the supervision of a licensed broker.

The principal broker is ultimately responsible for the supervision of all brokers and agents.

Blueprint Mortgages may also appoint licensed brokers to Act as supervisors.

These brokers will be responsible for the following:

- the broker must be available as required to assist the agents under his supervision
- the broker will Act as a mentor as well as a supervisor to the agents under his control
- the broker will review and sign Investor Disclosure Forms on behalf of the agents prior to them being forwarded to the investor for review
- the broker will physically meet with all agents under his control on a regular basis
- branch offices will be personally visited on a regular basis to ensure compliance

All agents will be required to attend staff meetings on a regular basis either in person or by conference call. Attendance by the agent will be mandatory for these meetings.

While the Chief Compliance Officer is ultimately responsible for the documentation of agents' files, supervisors will randomly spot check files in progress to ensure compliance with the legislation.

Agents who hire assistants to assist with administrative functions must ensure that the assistants are not dealing in mortgages as defined in the Act. Administrative assistants are prohibited from taking applications, signing clients or directly discussing product placement with potential clients. Their role should be restricted to dealing with lenders and borrowers with respect outstanding documentation and other administrative functions. It will be the responsibility of the supervising broker to ensure that administrative assistants are not dealing in mortgages illegally.

Should an assistant be authorized to deal in mortgages, they must be licensed by FSCO, and must acknowledge having read the Policies and Procedures.

The supervising broker will immediately notify the Chief Compliance Officer of any contraventions of the legislation. The supervising brokers will act as a liaison with the Chief Compliance Officer who is ultimately responsible for the overall supervision of all staff.

¹² Regulation 188-08, Section 40

DEALING WITH BORROWERS AND LENDERS¹³

When dealing with borrowers and lenders, brokers and agents will adhere to the following guidelines as established in the Regulations.

Role of the brokerage:

The broker or agent must determine whether the brokerage represents the borrower, the lender, or both and must disclose same to all parties in the prescribed manner.

In the case of conflicts of interest, all conflicts (whether real or perceived) must be disclosed in the prescribed manner. Examples of potential conflicts include:

when dealing with borrowers:

- if the lender is also a broker, brokerage or agent
- if the lender is related to the broker or agent
- if the broker, agent or brokerage maintains a controlling interest in the lender

when dealing with investors:

- if the broker, agent or brokerage will receive additional benefits from the transaction other than those disclosed in the normal course of business
- if any party related to the transaction (borrower, appraiser, solicitor or other party) is also related to the broker, agent, or brokerage

All brokers/agents will notify the brokerage of any ongoing potential conflicts which may affect the operations of the brokerage.

Suitability of Mortgage Investments:

Except in the case where the lender is a financial institution, the broker or agent shall take reasonable steps to ensure the investment is suitable for the prospective investor. This will include maintaining an understanding of the lending criteria of potential investors and a signed acknowledgement of those items which may be exceptions.

Designated Class of Lenders and Investors:

Any lender or investor that a broker / agent identifies as qualifying as a Designated Class of Lender or Investor, or who the broker / agent wishes to treat as such for disclosure purposes as provided for in the MBLAA, 2006, must complete a certification that they qualify as such on a form provided by Blueprint Mortgages. This form shall be kept on file by Blueprint Mortgages.

¹³ Regulation 188-08, Section 40

Blueprint Mortgages may require that this information be updated from time to time. Any lender or investor who will not complete the form shall be treated as a regular lender or investor for disclosure and other purposes.

Suitability of Mortgage:

In all cases the broker/agent shall take reasonable steps to ensure the mortgage being arranged is suitable for the borrower, taking into account his personal circumstances and market conditions.

Verification of Identity:

Brokers and agents will make every effort to verify the identity of their borrowers. If they are unable to do so they will notify the potential lenders forthwith.

When dealing with a private investor for the first time, brokers/agents should take reasonable steps to verify the identity of that investor.

Identification of Material Risks:

Except in the case of institutional or designated lenders, brokers and agents will notify potential lenders or investors of any material risks in the transaction in the manner prescribed in the regulations.

Unlawful Transactions:

A broker or agent will not act as a representative of any borrower, lender or investor if he has reasonable grounds to believe that the transaction is unlawful.

If a broker or agent has reason to doubt a borrower's legal authority to mortgage a property, you will notify prospective lender at the earliest opportunity.

If a broker or agent has reason to doubt the accuracy of information contained in a mortgage application or in supporting documentation, he will advise the prospective lender immediately.

Co-Brokerage:

Where a brokerage is involved in a co-brokered transaction, it should be clearly documented which brokerage is representing which party, who is responsible for the preparation and execution of documentation, how fees will be divided and the process for receipt and payment of all fees and disbursements.