

Blanket Order No. 45-528

IN THE MATTER OF THE *SECURITIES ACT*,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED (the Act)

-AND-

IN THE MATTER OF
RELIEF FROM THE PROSPECTUS AND REGISTRATION REQUIREMENTS FOR
CERTAIN SYNDICATED MORTGAGES

ORDER
(SECTION 151A)

WHEREAS:

1. Unless otherwise defined in this Order, terms used in this Order that are defined in the Act, in National Instrument 14-101 *Definitions*, National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103), or National Instrument 45-106 *Prospects Exemptions* (NI 45-106) have the same meaning in this Order.
2. In this Order, the term "qualified syndicated mortgage" means a syndicated mortgage that satisfies all of the following:
 - (a) the syndicated mortgage secures a debt obligation on real property that satisfies all of the following:
 - i. more than 50 percent of the square footage of the real property is used for residential purposes;
 - ii. the real property includes no more than a total of four (4) residential occupancies;
 - iii. if used for both residential and non-residential purposes, the real property includes no more than one non-residential occupancy;
 - iv. the total debt obligation does not exceed \$2,000,000;
 - (b) the syndicated mortgage does not secure a debt obligation incurred for the construction or development of the real 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 real 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

ninety percent (90%) of the fair market value of the real property relating to the mortgage, excluding any value that may be attributed to proposed or pending development of the real 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 lenders to consent to future subordination of the syndicated mortgage; and
 - (f) no person or company has the ability to consent to future subordination on behalf of the lenders of the syndicated mortgage without obtaining the consent of each lender.
3. The Nova Scotia Securities Commission (the Commission) is of the opinion that to order relief in these circumstances would not be prejudicial to the public interest.

IT IS ORDERED, pursuant to subsection 151A(1) of the Act, that:

- 1. The prospectus requirement in section 58 and the dealer registration requirement in section 31 of the Act do not apply to a distribution or trade of a qualified syndicated mortgage on real property in a jurisdiction of Canada if a person or company involved in the distribution or trade is licensed under legislation governing mortgage brokers in Nova Scotia or exempted from such licensing (other than being exempt under subsection 3(i) of the Regulations Respecting Exemptions to the *Mortgage Regulation Act* (Nova Scotia)).
- 2. The prospectus requirement in section 58 of the Act and the dealer registration requirement in section 31 of the Act do not apply to a distribution or trade of a syndicated mortgage on real property in a jurisdiction of Canada to a mortgage broker acting as principal that is licensed under legislation governing mortgage brokers in Nova Scotia, provided that:
 - a. the first trade of the syndicated mortgage is a distribution; and
 - b. an issuer that distributes the syndicated mortgage must, no later than 10 days after the distribution, file a Form 45-106F1 *Report of Exempt Distribution*.
- 3. The dealer registration requirement in section 31 of the Act does not apply to a trade in a syndicated mortgage on real property in a jurisdiction of Canada to a “permitted client” as such term is defined in NI 31-103, if a person or company involved in the trade is licensed under legislation governing mortgage brokers in Nova Scotia.

EFFECTIVE DATE

This Order comes into effect on March 1, 2021.

Dated at Halifax, Nova Scotia, this 26th day of February, 2021.

NOVA SCOTIA SECURITIES COMMISSION

(signed) "Paul Radford"

Paul E. Radford, Q.C., Chair