

August 12, 2020

The overlap of regulation could provide confusion, there are NQSMI's with the sole use of permitted investors on projects would make it more difficult for the new developers to enter the market. Though we like the idea of stricter regulations around the industry – people with less capital should be afforded an opportunity without the burden of dual regulation to deal in smaller projects. Perhaps you could look at project size as a factor when determining regulation and/or number of partners involved in the transaction.

That being said would it not be possible to mirror the same definition for QSMI between FSRA and OSC – the wording is different – The OSC definition is preferable - otherwise some companies may have transactions that meet the OSC definition for QSMI but not the FSRA definition. Specifically, FSRA references the rate of interest payable under it is equal to the rate of interest payable under the debt obligation (less any administrative charge) under the OSC definition that requirement is not there. We were hoping the OSC definition would be adopted for both organizations. Additionally, the wording around "term" is different and could be interpreted incorrectly.

Finally, the way the OSC has categorized Investor Categories – Permitted – Accredited and Eligible – would FSRA be able to adopt those categories as it makes the investment side easier to work on a unified level. Including the requirement for concentration to be reasonable and concentration waivers. I'm unsure why the categories would change based on regulator. The Designated class of Investor which is equitable to the Accredited could be defined and used in its place. A category for Eligible investor should be created to open up more opportunity for investment capital.

We agree the definition of QSMI products should not include higher risk products – it is imperative for investor's protection. The Mortgage exemption should remain to protect stand alone mortgages funded. The costs and benefits with compliance are reasonable and required for proper oversight we fully support the requirement for distribution and filings. Overall, our goal is more unification amongst the two governing bodies in wording around legislation.

A.S.

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