

ROADMAP TO A NEW REBBA:

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# A NEW ENFORCEMENT & DISCIPLINE REGIME



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The overwhelming majority of real estate registrants are hardworking professionals who help thousands of Ontarians every year achieve their dreams of owning a home.

Unfortunately, like all professions, there are a small number of individuals who act unethically, violating the trust of their clients and casting a negative light over the entire industry.

Ontario needs an enforcement regime that penalizes bad actors and kicks egregious offenders out of the profession.

***“Our clients put their trust in us every day. There is no room for rule breakers and unethical activity in our business. Ontario needs tougher penalties and a regulator that isn’t afraid to throw the book at the small number of agents who break the rules”***

***Stacy Evoy***

*Member of the REBBA Review Taskforce  
Broker, Royal LePage Triland Realty  
London, ON*

## OREA'S RECOMMENDATIONS

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### 1. GIVE RECO THE ABILITY TO PROACTIVELY INVESTIGATE THE WORST OFFENDERS.

The enforcement model in REBBA is complaint driven. Section 19 of REBBA severely restricts the Registrar from conducting proactive investigations. Instead, RECO waits for an official complaint from a consumer or fellow registrant in order to initiate an investigation. Some people are very uncomfortable blowing the whistle, especially if they are in the same circles or will have to work with that person again. RECO should have the clear legislative powers and greater authority to proactively investigate REBBA and Code of Ethics violations.

### 2. GIVE RECO THE AUTHORITY TO SUSPEND OR REVOKE LICENSES THROUGH THE DISCIPLINE AND APPEALS COMMITTEE.

Currently, RECO can issue a proposal to suspend, revoke, refuse to renew or apply conditions to a registration, but registrants can appeal these proposals to the License Appeal Tribunal ("LAT"). In large part because LAT is made of political appointees who typically have very little real estate expertise, LAT has a poor track record of revoking licenses, even in egregious circumstances such as criminal convictions.

RECO is a sophisticated regulator responsible for a critical mandate. The RECO Discipline and Appeals Committee should be given authority under REBBA to consider proposals to revoke and suspend licenses.

### 3. INCREASE THE MAXIMUM FINES FOR BREACHES OF THE REBBA CODE OF ETHICS.

The fines in REBBA were set when the average price of an Ontario resale home was \$211,000. The average price today is nearly triple that. The effectiveness of fines as a deterrent for unethical behavior under REBBA has eroded. For those willing to break the rules, these fines are simply the cost of doing business. The maximum fines should be doubled and increased to \$50,000 for salespeople and brokers and \$100,000 for brokerages.

### 4. ADMINISTRATIVE MONETARY PENALTIES (AMPS) SHOULD BE ALLOWED AND USED FOR MINOR INFRACTIONS.

The current disciplinary process at RECO for minor infractions is burdensome and takes the Regulator's focus away from more egregious breaches of REBBA and the REBBA Code of Ethics. For example, instead of wasting disciplinary resources on minor advertising infractions, RECO should be allowed to use Administrative Monetary Penalties (AMPs). This would be a good intermediary measure between serious enforcement tools like revocation and simple warnings.

## 5. KICKING VIOLENT OR FRAUDULENT OFFENDERS OUT OF THE BUSINESS.

Buying or selling real estate often involves people's life savings and access to their home where they raise their family. Consumers must be able to trust that RECO is keeping violent or fraudulent offenders out of the real estate business altogether - Ontario REALTORS® don't want them in the profession.

RECO currently requires that a criminal record check be submitted by any person applying for their real estate registration. This is sensitive and confidential information that RECO uses when considering an application. If a registrant meets all the requirements for registration, RECO's hands are tied and they may not feel there are grounds to deny an application, even if the applicant has a criminal history.

This conflict should be removed by requiring that all applicants with any violent criminal convictions and fraudulent convictions defined under section 380 of the Canadian Criminal Code within the last 10 years be denied, with no right of appeal.





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