

Full Risk Assessment



Substantial increase in litigations

- TD acts as a 'bare trustee' for the mortgage product. Our name is shown on title as 'The Canada Trust Company'.
- Escalated litigation claims at TD Waterhouse because our name appears on title and we are perceived to have a financial interest or fiduciary responsibility for the product.
- Litigation claims have included property fraud.
- Litigation costs and claims are expected to increase with this investment product year over year.

High

Increasing surveillance of Qualified Assets for compliance to legislation

- [CRA Bulletin](#) "Re: Investing in schemes that promise tax free withdrawals from RRSPs and RRIFs could result in the loss of retirement savings" for our clients. The Federal Government has communicated at recent 'Outreach' sessions that they will be increasingly monitoring Financial Institutions to ensure full adherence to the 'Income Tax Act'
- Mortgages are a qualified investment only when they are a 'performing' asset; there is an active project to assess 'non-performing' mortgages.

High

Complexity and strict regulatory nature of product increases TD reputational risk with our Self-Directed client segment

- The Arms Length Mortgage product is complex and requires an expert understanding of the lending and legal risks.
- Arms length mortgages are 2nd & 3rd position where the risk of repayment is equivalent to a Sub-Prime mortgage.
- A highly complex product offering which is often packaged by Mortgage Brokers/Lawyers providing limited line of sight to TD and the end client.

High