

UNDERTAKING

Pursuant to Section 154 of the *Business Practices and Consumer Protection Act [SBC 2004] c. 2 as am. (“BPCPA”)*

THIS UNDERTAKING is made with an effective date of November 22, 2023

Between

Royal Bank of Canada (“The Respondent”)

And

**The Director of the Business Practices and Consumer Protection Authority dba as
Consumer Protection BC (the “Director”)**

WHEREAS:

- A. The Business Practices and Consumer Protection Authority dba Consumer Protection BC is the authority delegated by the Province of British Columbia to administer and enforce the BPCPA.
- B. The Respondent is a Canadian financial institution headquartered in Montreal and operates branch locations in British Columbia.
- C. The Respondent is a credit grantor, as defined under Part 5 of the BPCPA.
- D. For the purposes of this Undertaking, a credit grantor has the same meaning as given under Part 5 of the BPCPA.
- E. For the purposes of this Undertaking, a borrower has the same meaning as given under Part 5 of the BPCPA.
- F. For the purposes of this Undertaking, a mortgage loan has the same meaning as given under Part 5 of the BPCPA.
- G. For the purpose of this Undertaking, a revolving mortgage loan has the same meaning as given under Part 5 of the BPCPA.
- H. Pursuant to section 72(2) of the BPCPA, the Respondent is required to give a borrower(s) a discharge of a mortgage loan, registrable under the Land Title Act [RSBC1996] c. 250 as am. within 30 days after (a) the whole amount of principal and interest owing under the mortgage loan is repaid to the Respondent; and (b) a borrower(s) of a revolving mortgage loan has requested a registrable discharge of the mortgage loan.

- I. Consumer Protection undertook an inspection of the Respondent's compliance with mortgage discharge obligations under section 72 of the BPCPA for the period January 1, 2018 until April 1, 2022.
- J. The results of the inspection brought forward an allegation the Respondent had contravened section 72(2) of the BPCPA.
- K. The findings of the inspection and the allegation have been reported to the Director.

NOW THEREFORE the Respondent undertakes, acknowledges, and agrees with the Director to the following:

- [1] The Respondent will make a payment to the Consumer Advancement Fund in the amount of \$2,200,000.00 (TWO MILLION, TWO HUNDRED THOUSAND DOLLARS). Payment is to be made to Consumer Protection BC within 30 days of this Undertaking being executed.
- [2] For each quarterly period from November 30, 2023 to November 30, 2024, the Respondent will provide a written report to Consumer Protection BC (via email to: operations@consumerprotectionbc.ca) in accordance with the following schedule or, where delayed by the receipt of documents from a third party, as soon as practicable after the report due date. For the purposes of any reporting by the Respondent to Consumer Protection BC, the dates provided may represent the dates that mortgage discharges were registered at the British Columbia Land Titles Office or that the registrable discharge was given to the borrower, whichever comes first:

Reporting Period	Report Due Date
November 30 – February 29, 2024	April 15, 2024
March 1 – May 31, 2024	July 15, 2024
June 1 – August 30, 2024	October 15, 2024
September 1 – November 30, 2024	January 15, 2025

The report will detail the following for all mortgage loans on properties located in British Columbia:

- (a) A reference number for the mortgage loan;
- (b) For revolving mortgage loans where the borrower has paid the whole amount of the principal and interest owing under the mortgage loan together with any other loan products including credit lines secured by the registered mortgage and has requested the Respondent provide a registrable discharge to the borrower (i) the date of the borrower's request for the registrable discharge and (ii) the date the discharge was provided to the borrower or registered at the British Columbia Land Titles Office, whichever comes first;

- (c) For all other mortgage loans, the number of days between the date when the whole amount of the principal and interest owing under the mortgage loan was repaid to the Respondent and the date the discharge was registered with the British Columbia Land Titles Office or that a registrable discharge was given to the borrower, whichever comes first;
 - (d) For any case under (b) or (c) above, where the difference in the number of days is more than the 30 days or where, at the time of the reporting, more than 30 days has elapsed without the discharge having been provided or registered, the reason for the delay, with an indication of all cases where the discharge has not yet been provided or registered.
- [3] The Respondent will reimburse Consumer Protection BC costs associated with the inspection in the amount of \$15,000.00 within 30 days of this Undertaking being executed.
 - [4] In consideration of this Undertaking by the Respondent, the Director hereby agrees to terminate the inspection and not to take any proceedings against the Respondent alleging non-compliance with section 72(2) of the BPCPA up to the date of this Undertaking.
 - [5] This Undertaking is binding on the Respondent and its successors and assigns until such time as it is either terminated in writing by the Director or terminated by order of the Supreme Court of British Columbia.
 - [6] In addition to rendering the Respondent liable to further penalties and proceedings as provided for under the Act, it is an offence under the BPCPA to fail to comply with any part of this Undertaking that has not been previously terminated.
 - [7] Any communication with the Director in connection with this Undertaking shall be made to the following:

Shahid Noorani
Vice President
Consumer Protection BC
200 – 4946 Canada Way
Burnaby, British Columbia V5G 4H7
shahid.noorani@consumerprotectionbc.ca

unless another address for delivery is given to the other party, in writing, by either the Director or the Respondent.

DATED this 22nd day of November, 2023



Signature Shahid Noorani
Vice President, Consumer Protection BC



Leah Robinson, Vice President,
Home Equity Financing Policy and Regulatory
Duly Authorized signatory of RBC Royal Bank of Canada