



Mutual Fund Dealers Association of Canada  
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# MFDA Bulletin

## Membership Information

**For Distribution to Relevant Parties within your Firm**

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### Amendments to Subordinated Loans

If subordinated debt forms part of a Member's total financial statement capital, the Member is required to submit to the MFDA the standard MFDA Subordinated Loan Agreement (Schedule I to the MFDA Application Guide). Any changes to the subordinated loan must be approved by the MFDA in writing. The prior written consent of the MFDA is required before part or all of the subordinated debt is repaid. Consent will only be granted if the Member's financial condition would be sufficient subsequent to the repayment of part or all of the subordinated debt.

In the event that the amount of indebtedness under the subordinated loan is increased, the Member must provide the MFDA with a new Subordinated Loan Agreement in triplicate that reflects the revised amount. This new Agreement will replace the existing Subordinated Loan Agreement on file with the MFDA, which will be returned to the Member. The amount of subordinated debt reflected in the new Agreement must match the amount shown on the Member's financial statement (MFDA Financial Questionnaire and Report, Statements A and F).

Laurie Gillett  
Corporate Secretary

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