RECFC Real Estate Compensation Fund Corporation

Annual Report

March 31, 2026

Message to Minister

The Honourable Brenda Bailey
Minister of Finance
PO Box 9048
Station Provincial Government
Victoria, BC
V8W 9E2

On behalf of the Board of Directors of the Real Estate Compensation Fund Corporation ("RECFC"), I am pleased to present the Annual Report for the year ended March 31, 2026.

RECFC was formed under the *Real Estate Services Act* in 2004 to protect the public interest by providing compensation in certain cases of wrongdoing by real estate licensees. Since inception, RECFC has paid over $3.34 million in compensation claims to consumers.

RECFC has received strong support from the real estate sector. Through the payment of annual assessments, real estate licensees have contributed over $19 million to the Fund. We are grateful for the initial grants made by the real estate regulator totaling $1,000,000 and by the Real Estate Foundation of BC of $600,000.

The protection provided for consumers is up to $200,000 for single claimants and $1 million per brokerage firm. These protection levels contribute to the Government's goal of increasing housing affordability by reducing risk of loss for consumers making home purchases.

RECFC fulfills an important role in providing consumer protection to the citizens of British Columbia. I am confident that with the ongoing support of the government and industry, RECFC will continue to provide the public with the protection that it expects and deserves when dealing with real estate licensees.

Sincerely,

Lori Mullin, CPA
Chair

Introduction

The Real Estate Compensation Fund Corporation ("RECFC") and its operations are governed by the *Real Estate Services Act*.

In accordance with the legislation, RECFC established the Real Estate Special Compensation Fund (the "Fund") for the purpose of providing compensation in accordance with Part 5 of the Act [Payments from Special Compensation Fund]. The Act provides for payments from the Fund to be made in one of the following three ways. In each case, a claim on the Fund is filed in writing with the Superintendent of Real Estate, who is appointed by the BC Financial Services Authority ("BCFSA"):

1) Civil Suit - a court finds that a claimant has suffered a "compensable loss," as defined in the legislation. Any such finding is binding on the Superintendent of Real Estate, and the Superintendent is obliged to issue a Certificate of Compensable Loss, in favour of the claimant. Upon receipt of such a Certificate, RECFC is obliged to make the payment so certified from the Fund.

2) Discipline Hearing - the Superintendent determines after a Discipline Hearing that a licensee committed a wrongful act. Any such finding of a compensable loss is binding on the Superintendent and consequently on RECFC.

3) Compensation Hearing - in the absence of a Court proceeding or Discipline Hearing decision, a member of the public alleging that they have sustained a compensable loss is able to apply directly to the Superintendent. In such cases, the Superintendent is entitled to conduct a hearing to determine whether a compensable loss has been incurred and issue a Certificate of Compensable Loss. On receipt of such a Certificate, RECFC is bound to make the payment so certified.

It should be noted that the legislation grants RECFC intervention rights regarding Court and Discipline proceedings. These intervention rights are critical to allow RECFC to become a party to the proceedings to adduce or challenge whatever evidence it believes appropriate and to make submissions to the Court or Discipline Hearing on what it believes the appropriate disposition of the proceeding ought to be. RECFC is the only entity that has these intervention rights in the courts. The determination on whether a compensable loss has occurred and, if so, who is liable for it, either in whole or in part, still rests with either the Superintendent or the courts, not with RECFC.

The number of compensation cases arising in any given year is proving to be extremely low in comparison to the number of trust transactions conducted through real estate licensees in the province. Experience indicates that compensation claims often come in groups, for example, where a single licensee generates multiple claims. Given the enormous amount of trust funds held by the industry, the claims history demonstrates the high integrity of the industry.

In addition, pursuant to an amendment to the Regulation in 2007, RECFC is permitted to make an emergency payment in cases where the Superintendent determines that:

a) A person has suffered a compensable loss,
b) Money is required to
    i. Complete a trade in real estate in which the person is involved, or
    ii. Prevent further significant compensable loss to the person,
c) It would be in the public interest to use money from the Fund to complete the trade or prevent the loss.

RECFC came into effect on December 31, 2004. Since inception, payments from the Fund have been made for compensable losses in 138 cases totaling approximately $3.34 million.

An important function of RECFC is to pursue recovery rights against the wrongdoers who were responsible for the claims. Once payment has been made by the Fund by one of the three mechanisms outlined above, the Act entitles RECFC to seek recovery of the amount paid from whoever may be liable for the loss, either in whole or in part. The section expressly permits RECFC to exercise whatever recovery rights the claimant had “as against any other person” in that regard. Most commonly, that recovery effort would be expected to take the form of RECFC filing a civil suit against one or more of the parties the claimant could have sued. RECFC has been able to successfully recover funds in several cases.

Given how highly variable real estate transactions and the parties involved in them are, determinations by the Directors of RECFC on precisely how to exercise recovery rights, or how extensively to exercise them, can only be made on a case-by-case basis, having regard to all the circumstances of the particular case and having regard to what is in the best interests of safeguarding the Fund. Because Court proceedings, Discipline hearings, or hearings before the Superintendent may or may not provide a complete answer to the question of who all the potentially liable parties are, the Directors may consider it appropriate for RECFC to conduct further investigations of its own before deciding what recovery steps to take, or which recovery efforts to abandon, in any given case.

Factors considered include: the degree of apparent liability of a particular party given all the circumstances, the anticipated costs of recovery, and the amount potentially recoverable. In considering such matters, RECFC takes appropriate legal advice. If a decision is made to not pursue RECFC’s recovery rights, then the file is closed.

To support the Real Estate Special Compensation Fund, RECFC may:

a) Levy assessments on licensees,
b) Levy different assessments against different classes of licensees as defined by RECFC, and
c) Establish terms and conditions in relation to the payment of assessments.

Currently assessments have been paused.

Schedule of History of Assessments (Refunds)

Assessments and refunds issued for the last 10 years:

March 31, 2026	$ -
March 31, 2025	$ -
March 31, 2024	$ (53,600)
March 31, 2023	$ 1,069,402
March 31, 2022	$ 1,113,617
March 31, 2021	$ 768,112
March 31, 2020	$ 628,398
March 31, 2019	$ 759,052
March 31, 2018	$ 214,041
March 31, 2017	$ 1,004,046

Assessments started in 2005, with all licensees participating. $100 of each BCFSA bi-annual license fee was collected by RECFC. As of April 1, 2017, only new licensees were assessed - individuals and brokerages paid a one-time contribution upon initial registration. As of April 1, 2023, no fees are being assessed. This decision was reviewed in January 2025 and the fee hiatus was extended for another year. It was reviewed again in January 2026 and extended for another year. It will be reviewed in October 2026 and annually thereafter.

Money in the Fund, not immediately required for disposition, is invested by RECFC, as permitted under the provisions of the Trustee Act respecting the investment of trust property by a trustee, with the primary objective of protecting the capital in the Fund for future compensation claims.

RECFC has received strong support from the real estate sector. Through the payment of annual assessments, real estate licensees have contributed over $19 million to the Fund. We are grateful for the initial grants made by the real estate regulator totaling $1,000,000 and by the Real Estate Foundation of BC of $600,000.

Financial Summary 2025

During 2026, RECFC collected $0 in assessments and incurred operating expenditures of $294,000 (2025: $256,000).

The Fund had Net Financial Assets of $25.9 million at 2026 fiscal year end (2025: $26.5 million). Please refer to the audited financial statements on our website for detailed financial information.

Schedule of History of Claim Payouts

Claims paid out for the last 10 years as per the Audited Financial Statements:

March 31, 2026	$ 1,520,732
March 31, 2025	$ 86,000
March 31, 2024	$ 25,131
March 31, 2023	$ 8,376
March 31, 2022	$ 2,500
March 31, 2021	$ 57,518
March 31, 2020	$ -
March 31, 2019	$ 195,000
March 31, 2018	$ -
March 31, 2017	$ 65,000

Claims Activity During 2026

During the current year, RECFC saw an unprecedented volume of claims and funds paid out with respect to compensable losses due to brokerage level issues. In 2026, RECFC paid out $1,520,732 in claims (97 claims) and last year, RECFC paid out $86,000 in claims (1 claim).

During 2026 and 2025 there were no recoveries of claims paid out in prior years pursuant to RECFC's recovery rights. RECFC will continue to pursue recovery options.

Through careful investment management and low claim volumes, RECFC has been successful in protecting the Real Estate Special Compensation Fund and building a financial reserve for the payment of future compensation claims.

2026 Board of Directors

The Board of Directors governing the Real Estate Compensation Fund Corporation ("RECFC") consists of three directors appointed by the British Columbia Financial Services Authority ("BCFSA") and two directors appointed by the British Columbia Real Estate Association ("BCREA"). RECFC Directors may serve two consecutive three-year terms. The Corporation is administered by a part-time Executive Officer.

Lori Mullin, CPA, Chair, Kelowna

Lori Mullin, CPA, CA, CFP operates her own professional accounting public practice in Kelowna. Previously a partner in a regional accounting firm in northern BC, Lori enjoys working with a wide variety of businesses and not for profit entities including small businesses, real estate companies and government agencies. She has also volunteered with not-for-profit agencies.

James Palanio, Vice Chair, Penticton

James Palanio has been a licensed realtor since 2002 and is now the Managing Broker of Royal LePage Locations West realty in Penticton, BC. James has served on his Regional Board, the South Okanagan Real Estate Board for 7 years, and then on the British Columbia Real Estate Association Board, including a year as Chair. He has also served his community on local non-profit Boards over the past two decades, and is an elected School Trustee, and the current Chair of the Okanagan-Skaha, School District 67 Board of Trustees.

David Weiss, Director, Vancouver

David Weiss, MBA, ICD.D is an accomplished senior executive with over 30 years of experience translating strategy into execution, developing talent, accelerating business growth, and leading enterprise-wide transformation. He is recognized for delivering measurable outcomes in complex, multi-stakeholder environments in both private and public sectors. Widely respected for leading with integrity, David fosters a culture of transparency and accountability at every level.

Erin Seeley, Director, Vancouver

Erin Seeley is the CEO of YWCA BC, one of Canada's largest multi-service charities supporting women and families with housing, childcare, employment, youth education, violence prevention and advocacy programs. She previously served as Senior Vice President, BC Financial Services Authority and CEO of the Real Estate Council of BC. In recognition for her community leadership, Erin has been the recipient of Vancouver Magazine's Power 50 Award, RBC's Canadian Women Entrepreneur Social Change Regional Impact Award, and the King Charles III Coronation Medal.

Geoffrey Oliver, CPA, Director, West Kelowna

Geoffrey Oliver, CPA, is a commercial realtor based out of the Central Okanagan. He has previously worked as a partner in an accounting firm in the Canadian Arctic, and various accounting roles in private industry. He is an active volunteer with the Okanagan Chartered Professional Accountants, and has previously served as volunteer, committee or Board member for several not-for-profit organizations.

Anna Solnickova, CPA, Executive Officer, Burnaby

Anna Solnickova, BBA, CPA, CGA, RI, GPC.D is a seasoned finance and governance executive with 15+ years of experience in British Columbia's real estate sector. Before her role as Executive Officer of RECFC, she spent over a decade with a private financial services firm that specializes in real estate financing and investments. She is also the Founder of CFO Consulting and Executive Officer of Cove Mortgage, and serves as a Director on several boards, including the Land Title and Survey Authority of British Columbia, BC MIC Managers Association and the Terry Fox Foundation.

Contact Us

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