

## How to choose a Mortgage Broker?

When selecting a mortgage broker for your home loan, it is critical to protect your interests by finding one who is honest and professional. The following checklist is designed to help you make an informed decision.

### Can your broker answer YES to these questions?

#### Is the broker working in your best interest?

- If they have their own “branded” products, can they provide clear reasons for any recommendation of those products?
- Have they disclosed any alternative forms of remuneration?
- Have they disclosed any referral fee they may pay for you being introduced to them as a potential client?
- Do they have a customer charter which clearly outlines their service, remuneration and dispute resolution policy?
- Do you consider that you have not been encouraged to borrow more than required?

#### Can the broker demonstrate professional standards?

- Have they completed an accredited training course?
- Are they familiar with and comply with the Uniform Consumer Credit Code?
- Do they carry adequate professional indemnity insurance?
- Do they hold a Certificate IV in Financial Services (Finance and Mortgage Broking)?
- Are they a member of an external dispute resolution service?
- Are they a member of the Mortgage & Finance Association of Australia (MFAA) and comply with the Code of Practice?

#### Do they have at least 15 lenders on their panel?

- Can they offer a wide range of lenders - banks, non-banks, building societies, etc, to choose from?

#### Can the broker clearly explain loan process?

- Will you receive an explanation of the loan application process from enquiry to settlement?

- Can they provide a full disclosure of commissions received and how they are calculated? (Not merely the fact that they are paid by the lender but the amount and how it is calculated)
- Can they give you a written complaints procedure and privacy policy?

#### Can they offer a choice of home loans?

- Will you receive a written comparison of home loan options including the upfront and ongoing fees?
- Are you satisfied that there is no conflict of interest? (In other words, the lender and product are right for you and not the broker)

#### Can they provide an estimate of your chosen lender's loan processing time?

- Will any history of lender service issues be discussed with you?

#### Is the broker's home loan advice at no cost to you?

- Outside of the normal lender application fees, will the advice you receive from the broker be at no cost to you?

#### Is the broker able to provide a complete service?

- Is the broker part of a group that has the expertise to review all of your financial needs including insurances, Superannuation, investments and Estate Planning?

If, at any stage of the home loan application process, you are unhappy with the service being offered by your chosen broker, you do have the following options:

1. Speak with the broker concerned.
2. Speak with the head office of the organisation the broker represents.
3. Contact the Credit Ombudsman Service, freecall: 1300 780 808.