

How to choose a Mortgage Broker

When selecting a mortgage broker for your home loan or other financial product, 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? If not, do they have your needs top of mind?

	Yes	No		Yes	No
Is the broker working in your best interest?			Do they give you the benefit of choice?		
Do they receive the same commission rate regardless of lender or product chosen?	<input type="radio"/>	<input type="radio"/>	Can they offer a wide range of lenders - banks, non-banks, building societies, etc, to choose from?	<input type="radio"/>	<input type="radio"/>
Have they disclosed any alternative forms of remuneration?	<input type="radio"/>	<input type="radio"/>	Can the broker clearly explain loan process?		
Have they disclosed any referral fee they may pay for you being introduced to them as a potential client?	<input type="radio"/>	<input type="radio"/>	Will you receive an explanation of the loan application process from enquiry to settlement?	<input type="radio"/>	<input type="radio"/>
Can they clearly outline their service, remuneration and dispute resolution policy?	<input type="radio"/>	<input type="radio"/>	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)	<input type="radio"/>	<input type="radio"/>
Do you consider that you have not been encouraged to borrow more than required?	<input type="radio"/>	<input type="radio"/>	Can they provide an estimate of your chosen lender's loan processing time?	<input type="radio"/>	<input type="radio"/>
Can the broker demonstrate professional standards?			Will any history of lender service issues be discussed with you?	<input type="radio"/>	<input type="radio"/>
Do they hold an Australian Credit Licence or Credit Representative status, as per ASIC requirements?	<input type="radio"/>	<input type="radio"/>	Is the broker's assistance at no cost to you?		
Are they a member of the Mortgage & Finance Association of Australia (MFAA) and comply with its Code of Practice?	<input type="radio"/>	<input type="radio"/>	Outside of the normal lender application fees, will the advice you receive from the broker be at no cost to you?	<input type="radio"/>	<input type="radio"/>
Can they give you a written complaints procedure and privacy policy?	<input type="radio"/>	<input type="radio"/>	If they charge an upfront fee for service can they explain why? (Also note that other brokers may charge a fee later if you switch loans within a given timeframe)	<input type="radio"/>	<input type="radio"/>
Can they offer clear loan choices?			If, at any stage of the loan application process, you are unhappy with the service being offered by your chosen broker, you do have the following options:		
Will you receive a written comparison of loan options including the interest rate, features and fees?	<input type="radio"/>	<input type="radio"/>	1. Speak with the broker concerned.		
Can they explain why they are suggesting particular loans to you?	<input type="radio"/>	<input type="radio"/>	2. Speak with the head office of the organisation the broker represents.		
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)	<input type="radio"/>	<input type="radio"/>	3. Contact the Credit Ombudsman Service, freecall: 1800 138 422.		