

## Media Release

6 June 2018

# Mortgage Choice responds to recent media allegations

As announced on Monday 4 June, Mortgage Choice Limited (ASX: MOC) (“Mortgage Choice”) has been consulting with its franchisees with a view to updating its remuneration model to increase franchisee remuneration and reduce franchisee income volatility. This change program has been the key priority for the business in 2018 and is expected to underpin the long-term sustainable growth of the Company and its existing franchisees, as well as to attract new, high quality businesses to the franchise network.

Our franchise system introduced over 25 years ago was designed to allow mortgage brokers to own and grow their own small businesses with the support of a strong market brand and full-service model which included business planning, marketing, IT, training and compliance. This was reflected in the remuneration structure which has been very effective, with hundreds of brokers who have successfully started, grown and sold their businesses and helped hundreds of thousands of customers over the years.

Mortgage Choice works closely with its franchisees to assist them in growing successful businesses. The company has policies in place to support any franchisee that requires additional support. This has included personalised assistance to franchisees who have experienced financial difficulty, suffered health issues or had changes in their family circumstances.

Mortgage Choice strongly refutes allegations in the media that its current model encourages poor behaviour or practices. The company has robust compliance processes and credit policy controls in place that franchisees are required to adhere to.

Susan Mitchell, CEO of Mortgage Choice said: “Our franchisees are very diligent and want to do the right thing for their customers. We take any allegation of fraudulent behaviour extremely seriously and we have a very thorough and structured compliance regime in place.

“The wellbeing of our franchisees is our number one concern. We provide any business owner experiencing hardship with personalised support, including from our field-based teams. We are well progressed in consulting with franchisees on a new remuneration model that will help them to succeed and invest in growing their businesses.”

While Mortgage Choice believes brokers in the network still highly value the services the company provides, it acknowledges that the balance between services offered and remuneration provided needs adjusting

Accordingly, some months ago the company commenced a confidential and collaborative process to update the remuneration model, which has included numerous workshops across Australia with franchisees to consult on a new model, including reviewing more than 30 different remuneration structures, many submitted by franchisees.



Mortgage Choice is in advanced discussions with franchisees and is aiming to have a new remuneration model in place by August 2018.

Mortgage Choice is not subject to any legal action.

A video interview with CEO Susan Mitchell is available on the Company's website on the homepage and in the Media Centre section.

**For further information, please contact:**

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**Important information**

This article is for general information purposes only. It has been prepared without considering your objectives, financial situation or needs. You should, before acting on the advice, consider its appropriateness to your circumstances.

**About Mortgage Choice**

Mortgage Choice is an ASX listed company that seeks to help Australians with all of their financial needs. Established in 1992, Mortgage Choice was originally established to help Australians improve their financial situation by offering a choice of home loan providers, coupled with the expert advice of a mortgage professional. Since that time, the company has grown and developed into a fully-fledged financial services provider. Today, Mortgage Choice helps customers source car loans, personal loans, credit cards, commercial loans, asset finance, deposit bonds, and risk and general insurance. Further, the company offers Australians access to real, relevant and affordable financial advice through our qualified financial advisers. Mortgage Choice has no balance sheet or funding risk, and consistently delivers strong profits and attractive yields. It listed on the ASX in 2004 (MOC) and is a member of the Mortgage & Finance Association of Australia (MFAA). Mortgage Choice holds an Australian Credit Licence: no. 382869 and Mortgage Choice Financial Planning Pty Limited holds an Australian Financial Services Licence: no. 422854. Both licences are issued by ASIC. Visit [www.mortgagechoice.com.au](http://www.mortgagechoice.com.au) or call customer service on 13 7762.