Review on Mortgage Brokers

I submit to the treasury that there should be no further changes to the current remuneration structure that is currently in place for the following reasons:

1. Brokers provide clients with the broadest choice of lenders to meet their needs. This results in client's getting the cheapest most appropriate loan for them at all times.
2. Bank's want to eliminate brokers from the market as brokers are independent. There is no doubt that banks collude on price all the time. Brokers keep the Banks honest and the four majors hate it.
3. The client outcome will always be better through a broker than through a Bank as the broker works for the client, not the bank.
4. Brokers are not interested in cross selling all of the banks other products and services to increase share of wallet, thus making it more difficult for clients to get better deals in the future.
5. Brokers will not take unnecessary security over clients properties as Banks do. A broker will only take the security that is required. Banks generally take everything they can get.
6. Brokers have the tools to assess all of the lenders that are on their panels as opposed to just one bank. Banks all have different lending policies. eg One may take casual employment into consideration, the other won't. Brokers know what Bank policies are so don't waste the client's time and provide the best outcome for the client.

There are good and bad brokers, just as there are good and bad bankers. The difference is that, if you're a bad broker and don't offer an excellent level of service to your clients then you literally don't eat. If you're a bad Banker, then you still get paid each fortnight. This creates a better long term outcome for the client. Natural selection will eliminate brokers who are no good or don't do the right thing by their clients in the long term.

I believe that Brokers should be more qualified and should at least have to have an advanced diploma of financial services (Financial Planning) to be able to provide financial advice to clients. Buying a home is, for most Australian's the biggest financial decision that they will make in their lives and whoever is providing that advice should have some minimum educational qualifications. It is too easy for someone who has no experience and no qualifications to become a mortgage broker, hence it encourages unsuitable people to join the industry. It belittles the industry by having unqualified brokers giving financial advice to clients.

Please do not hesitate to contact me if I can be of any further assistance.

Have a sensational day.

Kind Regards Shawn

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|  | **Shawn French** **Smartline Personal Mortgage Advisers**P.O. Box 489Bundoora, Vic 3083p (03) 9432 7019|  m 0421 052 038  |  f (03) 9432 0056 |                                             e sfrench@smartline.com.au|  w [www.smartline.com.au/sfrench](http://www.smartline.com.au/sfrench) Follow us on [**Twitter**](http://twitter.com/asksmartline) | [**Facebook**](http://www.facebook.com/SmartlineAdvisers) | [**My Blog**](http://smartlineblog.com.au/) https://sites.google.com/a/smartline.com.au/smartline-signatures/eMailLogoSL.gif  |