



# *Finding a Mortgage Broker*

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## *How to find the best mortgage broker for you.*

*You will find there are multiple mortgage brokers within a few kilometres of your current location. But are they trustworthy?*

Occasionally, you will hear stories in the media of banks, lenders and mortgage brokers taking advantage of homebuyers, but don't be too concerned. Following the advice outlined in this guide will give you the tools to find an exceptional mortgage broker who is truly focused on your needs, and has a genuine passion for finding the perfect loan for your situation.

Please be aware the information provided in this guide is general in nature, and does not form part of any advice given to you. Please consider your circumstances before you make any decisions.



## HOW TO FIND THE BEST MORTGAGE BROKER FOR YOU

### What is a mortgage broker?

Home loans can be accessed through a variety of avenues; banks, non-bank lenders, mortgage lenders, and mortgage brokers.

A mortgage broker acts in the best interests of their customer through their interaction with multiple banks and lenders to secure the best mortgage outcome. A mortgage broker is very different to a bank employee. A bank employee solely acts as the conduit between the bank and the borrower. A mortgage broker, by contrast, interacts with multiple lenders, and can interact with multiple institutions at any one time.

Collaborating with a mortgage broker inherits multiple advantages. A mortgage broker has an in-depth understanding of the credit policies across all major lenders, allowing the broker to analyse your situation and advise the lenders who will view your application favourably. This can be a considerable time saving process for you by avoiding multiple discussions and applications with different lenders in a bid to access the most competitive rate for your situation.

If you decide to meet with a mortgage broker, they will be able to access your credit score ahead of your loan application. This will give you clarity on how the lender will view your loan application and avoid the chance of a declined application.

### Should I use a broker or deal directly with a lender?

At times, a mortgage broker can negotiate an interest-rate that is more competitive than the advertised rate. This is because a loan application submitted by a mortgage broker is far more cost effective for the bank in comparison to a loan offered through their retail premises. A good mortgage broker will take advantage of this, and act in the best interests of the borrower by securing a better rate than the lenders advertised retail rate.

### How to avoid mortgage scams.

Often Lenders promote a highly competitive interest rate as they believe the interest rate is the most powerful drawcard when a borrower is choosing a home loan product. A lender will charge the borrower excessive fees to ensure their profits are not compromised. You can avoid this by using the comparison rate to compare each home loan product, rather than the advertised interest rate. The comparison rate considers the advertised interest rate plus any fees and charges payable.

In some cases, lenders may advertise highly competitive interest rates, but only applicable to loan products that are very difficult to access. The credit criteria a borrower must meet these products is very difficult, meaning only a small percentage of the population can qualify.

### What a mortgage broker can do for you.

The best mortgage brokers can turn the task of finding the correct home loan for you into a pleasurable experience. They will have the ability to see the world through your eyes, ask questions about your future goals, and will update you every step of the way throughout your home loan journey.

Like any business, mortgage brokers can range from being highly experienced, having access to a large number of lenders, as well as having great client interaction skills, to the opposite of all three.

It is best to engage a mortgage broker that you feel comfortable with, and feel has the capacity to understand your situation and the goals that you're wishing to achieve.



## How to find a trustworthy mortgage broker.

If you were to listen to multiple telephone conversations between a prospecting broker and a borrower, you will find the most common questions a borrower will ask are:

- Will I get approved?
- How long is the application process and what's involved?
- What will the repayments be per week and per month?

These are the critical questions you should ask your broker, in addition to a very important question: how do I know I can trust you?

To determine whether your trust has been well placed, look for legitimate referrals and testimonials for the broker you are engaging. Does the broker have a strong online presence? Do they have their own website? Do they have their own Facebook page? Do they actively update their Facebook page? If they tick the boxes, it is highly likely the broker is very active and focused on regular communications.

There is nothing more challenging for a borrower than dealing with a broker who has poor communication throughout the application process. A good broker will manage your expectations by outlining their communication policy, and how frequently you will receive updates regarding your application.

A mortgage broker with skill and experience will be able to give you an indication of the application outcome ahead of its submission. This can be achieved by engaging you to complete a small fact find questionnaire, outlining income, assets and liabilities.

## How to select the best mortgage broker for you?

While on the hunt for a suitable mortgage broker, you will realise mortgage brokers specialize in different areas. Some may specialize in securing finance for a commercial property, some for investment properties, and others who specialise in working with borrowers who have a poor credit history.

It's a good idea to ask the broker what areas they specialize in prior to engaging with them. Other questions you may ask include:

- How many lenders do you have access to?
- Are you part of a professional organisation that requires certification?
- Can you anticipate the length of time involved in approving my application?
- Can you articulate the loan fees associated with my application?

If a mortgage broker is acting independently, they are required to become accredited for each lender they represent. This is a key differentiator between mortgage brokers, as not all brokers have access to the same lender panel. If a broker has chosen not to become accredited with a particular lender, this restricts the brokers access to their products.

There should be no compromise on the service you receive from your broker. At minimum, you should expect the following from the broker you select:

- The ability to find the right loan for your situation.
- The ability to calculate the exact repayments associated with the loan.
- The ability to articulate the fees and charges associated with the loan.
- A willingness to advise you of the insurance options available to you.
- Discuss strategies to pay your loan quicker.
- The ability to answer your questions.

Remember, making a rushed decision when you're looking for a home loan can undermine your overall goal: getting the right loan to suit your needs. If you don't feel comfortable with your mortgage broker, it is important to seek advice from another.

### **How I can help you?**

Working with a quality mortgage broker allows you to compare the best home loans across multiple lenders. I am accredited with multiple lenders, and understand their credit policies in detail. With this understanding, I am able to analyse your financial situation and provide a solution to fulfil your goals very quickly. I am easy to contact via email, telephone, Skype or Facebook.

I am highly committed to first-class customer service, and understand this cannot be achieved without a high level of accessibility and communication.

Please bear in mind that not all mortgage brokers are the same. Some are great communicators, some prefer to speak about the product and process, and some prefer to take a more holistic view; considering the goals of you, your family, and your lifestyle.

I look forward to hearing from you.

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