

How to choose a Mortgage Broker

Other publications available from the Homeloan Guru:

- The A-Z of Home Purchase
- Financing your Home Purchase
- A Guide to the Cost of Home Purchase
- Debt Consolidation, how does it work?
- Home Buyer's Checklist
- Budget Planner

Disclaimer

This booklet is for information purposes only and must not be relied on as a substitute for legal advice. For more information about this topic, please contact The Homeloan Guru on info@homeloanguru.com.au
www.homeloanguru.com.au



Contents

INTRODUCTION	3
INDEPENDENCE.....	4
NO COST TO YOU	4
EXPERIENCE.....	5
QUALIFICATIONS	5
COMPREHENSIVE DOCUMENTATION	6
FREE LIFE INSURANCE	Error! Bookmark not defined.
ESTABLISHED NETWORK	6
AVAILABILITY	6
LARGE SELECTION OF LENDERS	7

INTRODUCTION

Engaging the services of a Mortgage Broker is the smart way to shop around for a home loan. Choosing the best home loan is a bit like choosing the best Mobile Phone plan. The banks and other lenders - just like the phone companies - are making it as difficult as possible to compare one product to the other.

Jargon changes from bank to bank, one charges an application fee, the other a loan establishment fee, a third will not have any of these charges but presents you with a settlement fee.

The only safe way through this mortgage maze is engaging the services of an expert. But how do you choose the right one?

Just Google Mortgage Broker and you will be inundated by scores of Mortgage Brokers advertising. Your challenge is to find one that will look after your interest from the moment you first make contact with them to the time when you finally pay out your mortgage.

We will look after you at every step such as

- providing independent information to enable to choose the right loan for you
- apply for the loan on your behalf
- make sure your loan will get approved (if you don't get your money, we don't get paid, compare that to the bank's loan officer)
- follow through to the settlement of the loan
- assist with any maintenance issues such as changing repayments or loan products throughout the term of the loan.
- Future proofing your finances by providing advise on wealth creation, superannuation and personal insurance.

Unlike a bank, we are here in the long term. Your bank manager, if he/she is any good, will soon get a promotion and move on. If they are no good, you will be stuck with them long term. In any event, they will never tell you that a competitor has a better loan for you!

INDEPENDENCE

According to ASIC, Mortgage Brokers are not allowed to call themselves independent because they get paid a commission by the lender the loan is arranged through.

You may however be interested to know that many of the brokers and financiers who profess to offer unbiased advice or impartial choice are all but independent. Consider this:

Aussie Home Loans, 80% owned by Commonwealth Bank as of December 2012

Mortgage Choice, 15% owned by St George Bank and 21% by Commonwealth Bank

Rams, 100% owned by Westpac

The Major Aggregators, FAST, Choice Home Loans and Plan are all owned by the National Australia Bank.

The Homeloan Guru is one of very few mortgage brokers not owned by one of the major financiers or aggregators.

You decide who is better placed to give you unbiased advice.

NO COST TO YOU

We have arrangements in place with most major lenders for them to pay us a commission for basically doing the bank managers job. You will not get a better deal by dealing with the bank or other lender directly.

On the contrary, some lenders offer deals through us that are not available at the branch. And, of course, we will always point out the product that is best for you, not best for the bank. Have a guess who the bank manager's loyalty rests with.

In exchange for not charging you a brokerage, we would however appreciate if you told us about your family members, friends or colleagues who would also benefit from using our service.

And don't forget when, down the track, you need to borrow again, be it for an investment property, to carry out home improvements or for any other matter, it is always in your best interest to talk to us rather than to your bank directly.

The lender we recommend today for your situation today may or may not be the best option in a couple of years time. And it doesn't cost you anything to find out by talking to us.

EXPERIENCE

We are not called the Homeloan Guru for nothing. We have the expertise and experience to come up with a loan solution tailored to your needs that is better than what any computer program will spit out.

Computer programs in our industry are a great tool in the right hands but will never make up for a lack of experience.

At the Homeloan Guru, we use technology to make sure we always have the latest information available, product and policy updates come through on a daily basis.

We use software to help short list the best product for your circumstances. With our long experience in the industry, we then fine tune the results to come up with something that will in most instances be cheaper or better suited to your circumstances than what the computer has been able to come up with.

After all, there is simply no way to design a computer program that could envisage all the variations in lending scenarios for the entire population. In fact, even after more than 30 years in banking, I am dealing with new scenarios on a regular basis.

QUALIFICATIONS

Gerhard Moser, the founder and CEO of the Homeloan Guru, is the holder of three diplomas:

- Diploma in Corporate Management
- Diploma of Financial Services (Financial Planning)
- Diploma of Finance and Mortgage Broking Management

This collection of qualifications puts him in a unique position to structure a loan for all circumstances and taking into account a much wider range of considerations than a banker or your average mortgage broker would be able to.

COMPREHENSIVE DOCUMENTATION

Before you make a decision as to which lender you would like to go with, we present you with three written options, comparing interest rates, set up cost, ongoing fees etc. to allow you to make the best possible decision.

By law, we are required to provide you with a Credit Guide (explaining who we are), a quote - if we are charging you any fees - as well as a Credit proposal disclosure which sets out what you are applying for and how much we get paid by the lender for submitting your application.

At the Homeloan Guru, we go a step further and attach a copy of the loans we compared for you so that you can make sure that what is offered to you in the lender's loan offer documentation is the same as what the lending consultant explained to you in the loan interview.

In addition, we provide you with a funding position, which shows you where your funds are coming from and where they are going.

ESTABLISHED NETWORK

You don't buy a house very often in your life and therefore you may not have the connections with all the services. We on the other hand help people buying houses or refinancing their loans every day. If you need a pest inspector, a solicitor or conveyance, a building inspector, a quantity surveyor, a business broker, a general insurance expert, a financial planner, an accountant or even a removalist, we are more than happy to make a recommendation.

We know who performs in their field and we always seek feedback from our customers who use the services of any of these professionals to make sure we have an up to date "form guide".

AVAILABILITY

We live in busy times. We are happy to fit in with your busy lifestyle and schedule an appointment at a time convenient to you. Or we can do the entire process by correspondence. We simply tell you what documentation we require, you email or upload them to us, we complete the application form and email it back to you for signing and we are ready to submit the application, all without taking time out of your workday.

LARGE SELECTION OF LENDERS

You would expect us to have access to all the major lenders, and we do. But we have also access lenders you would probably not think off such as a range of building societies and other non bank lenders and financial institutions. It is to your advantage to be able to compare the offering of all lenders in the Australian market with unbiased, independent advice of which lender and which type of loan is best for you.

Our Difference

We don't believe in a set and forget approach. Once the loan has settled, we like to help our customers in all areas of their finances. We have coined the phrase "Future proving your Finances". This involves:

- Coming up with a plan to pay off your home loan sooner
- Design a wealth creation strategy to provide for you in retirement
- Create a budget that allows you the above while still leaving room for fun
- Put a safety net in place for when the unexpected happens (illness or accident)
- Conduct regular reviews to make sure you are on target

Why don't you give us a ring on 1300 694 878 (1300 MYGURU) to find out how we can assist you. Or go to our website www.homeloanguru.com.au to start the inquiry process straight away.