



**RIGOLI LAWYERS**

YOUR PROBLEM + OUR EXPERIENCE = STRESS FREE SOLUTION

## **When should you use a mortgage broker?**

The main difference between a mortgage broker and a single lender (bank) is that the mortgage broker is a free agent that deals with mortgage products of many different types of lenders but is not necessarily aligned with any particular one.

### **Advantages of using a broker:**

1. Most brokers do not charge fees to the customer /borrower- they only charge and get paid by the financial institution or bank that they end up selecting for the customer's new loan. This means that all the running around and form filling for a finance application gets done for you for free by the broker who is the go between. Some people do not understand why it is a free service. The banks are trying to cut costs particularly in the cost of employment and one of their methods to do this is to outsource the job of selling their loan products to independent agents. They will pay the agent a commission if the agent happens to get a borrower to select one of their loan products. Payment of the commission is still less for the bank than paying a full time staff wages, tax, super, plus holiday and sick leave, maternity leave, workers comp etc.
2. As brokers can be free agents and not aligned with any lender/forced to sell their product, there is more chance they will give you an unbiased view of which banking product is best for you. Since they are usually self- employed consultants who can set their own hours and make arrangements to meet customers, they often can come to you. As a result they will often accommodate the customer's preferred contact place and time to meet or talk.
3. If you use a broker they will be able to tell you what you need to do to qualify for finance so you can make sure you have all the requirements before actually making an application for finance, thereby likely avoiding an unsuccessful application being submitted. If you make an unsuccessful application on your own, and then try with another bank (especially if there have been any problems with your credit history) you may set yourself up for another rejection which will appear on your credit history/credit application history.

4. Finance brokers will keep all your finance supporting documents and information on file, so whenever you need to apply for finance again in future (or want to see if it is worthwhile changing banks), you don't need to go through the same process again eg: proving identity, showing all previous tax returns and sources of income and filling out an assets and liabilities and income sheet again. You will only need to provide newer up to date tax returns/payslips.
  
5. When you want to get an answer quickly about how your finance application is progressing, a finance broker is on call for you. Because they rely on the loan application being successful (and being advanced before they can get paid by the lender), it is in their interests to make sure that you are successful with your finance application and to see it through with you.
  
6. Finance brokers will often work one on one closely with you and your other professionals such as accountants and lawyers and therefore complement your team of professional support and avoid you having to repeat yourself when it comes to agreed information exchange or sharing. This makes life easier when you are buying a property, refinancing debts or financing a court case and cuts down the costs of duplication. We have an excellent relationship with many mortgage brokers all over Melbourne who can come to you and show you how to save on your repayments so you can put the money saved towards things like school fees and holidays.

### **Do you need a recommendation for a good mortgage broker?**

In my 25 years of legal practice I have come across many lenders and mortgage brokers. If you would contact details for those mortgage brokers that have helped our clients who have received the best reviews.



**Maria Rigoli**

**2016 Winner- Suburban Lawyer of the Year**



**Rigoli Lawyers is an accredited Family Law Specialist firm.**

**Our lawyers have experience in varied areas including commercial and company law, conveyancing and contracts, criminal law, deceased estates, family law, business law and all court and litigation matters.**

This document does not constitute legal advice for your matter. To obtain tailored and specific advice to your situation you must consult a legally qualified lawyer.

**[www.rigolilawyers.com.au](http://www.rigolilawyers.com.au)**  
**(03) 8742 3199**