

'We feel called to stand up for our industry to ensure Canberra homeowners know exactly what will happen.'

# Changes deny borrowers' choice and service

**HIGHER costs and less service for borrowers are fears of leading Canberra mortgage brokerage MO'R Mortgage Options in the fallout from the findings of the recent Banking Royal Commission.**

Recommendations of the Royal Commission included ending commissions mortgage brokers received from banks. This included the "trail" commissions brokers received for providing ongoing service to their clients.

"We're not sure how increasing costs for homeowners, or limiting access to mortgage broker services, is in the best interest of borrowers," says Brendan O'Reilly, director of local firm MO'R Mortgage Options.

The company, a family-led team of seven, has been serving Canberra since 2000, when father Michael O'Reilly established it from a home office. These days the company is run by brothers Daniel and Brendan O'Reilly and sister Kathryn De Luca.

"We have and always will be, committed to doing what's best for homeowners, which is why we feel called to stand up for our industry to ensure Canberra homeowners know exactly what could happen should the changes be introduced," says director Daniel O'Reilly.

"As mortgage brokers, we receive payment from the banks when and if a loan is arranged. We also receive a trailing commission to provide ongoing service to our client, long after they move into their new home.

"These payments are fully disclosed to borrowers; they actually need to 'sign off' on it before we can help arrange a loan for them."

"While it appears, for now at least, that policy makers have rightly rejected a consumer-pays model due to overwhelming public outcry, the ongoing value homeowners receive from their local mortgage broker is still potentially under threat.

"If proposed changes to trail commissions are implemented, homeowners may have less ongoing support to manage their mortgages. Without this support, it becomes harder for them to make informed, educated decisions around their existing properties and mortgages."

Fellow director Kathryn De Luca says MO'R Mortgage Options was established to help teach property buyers and homeowners better ways to manage their mortgages and, over the years, has helped thousands of Canberrans achieve their property goals and reduce household costs.

"Homeowners tell us they value continuity



The team at MO'R Mortgage Options... back row from left, Dimitri Basic, Karen Ajaye, Greg Oberscheidt and Michael Baker. Front row, director Brendan O'Reilly, director Kathryn De Luca and director Daniel O'Reilly.

Photo and cover image: Holly Treadaway

of service. They want to have a long-term relationship with their local mortgage broker, similar to the one borrowers had with their local bank manager decades ago," she says.

"Our clients value the work we do. They appreciate the effort that goes into lobbying a lender for additional rate discounts. And clients tell that us our regular 'check-ins' help them stay on track with paying down their loan."

She says clients regularly ask MO'R Mortgage Options for help to switch repayment types, manage discharge requests or make changes to an existing loan.

"This is because lender call-centre operators don't effect the changes as requested, they try to upsell or worse they entice borrowers to make changes to their loan that are clearly not in the borrower's best interests, nor aligned to the borrowers long-term objectives," says Kathryn.

The directors say MO'R Mortgage Options has worked with many clients for more than a decade, meeting regularly to discuss interest rate changes, investigate alternative lending options and talk about what overcapitalising looks like for an individual borrower as well as arranging property valu-

ations to ensure a client's buy/sell decisions are properly informed.

In the majority of cases, this work doesn't lead to new loans or increase a client's lending. It's all part of the ongoing service mortgage brokers can currently provide.

"The list of things we do for our clients on an ongoing basis is endless," says Brendan.

"We spend a lot of our time delivering quality, ongoing service to our clients and we believe it leads to better long-term financial outcomes."

He says that much of the media coverage of the Royal Commission has focused on

how the recommendations affected lender share prices and the overall impact on the mortgage industry as a whole.

"But everyone is missing the point. This is about homeowners, local Canberrans, and what's in their best interests going forward," says Brendan.

"It's the reason we feel compelled to talk about it here and the reason we invite you to find out more about how the changes can impact you."

More information at [mmo.com.au/canberramortgagebroker](http://mmo.com.au/canberramortgagebroker)

Learn more about the proposed changes and how they could affect you and your home loans going forward.



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