



The seven-person MO'R Mortgage Options team: Dimitri Basic, Greg Oberscheidt, directors Kathryn De Luca and Daniel O'Reilly, Michael Baker, director Brendan O'Reilly and Karen Ajaye. Image by Tracy Lee Photography.

Defending MO'R options for homeowners

Any changes to come out of the Banking Royal Commission need to ensure borrowers' access to ongoing services provided by mortgage brokers is protected, warns local award-winning mortgage professionals, MO'R Mortgage Options (MMO).

While the Royal Commission was set up to protect borrowers from the power of the big banks, MMO is concerned that if the recommendations relating to brokers are implemented, it will kill competition between lenders, drive up borrower costs and prevent borrowers – often the ones who need it most – from accessing the support they need.

Serving the Canberra community since 2000, the MMO team is headed by brothers Daniel and Brendan O'Reilly and sister Kathryn De Luca, continuing the family business their father established from a home office two decades ago.

MMO is especially concerned by two of the recommendations to come from the Banking Royal Commission: that homeowners should pay to use the services of a mortgage broker, and brokers should no longer receive 'trail' for the ongoing service they provide to existing clients.

"We're not sure how increasing costs for homeowners, or limiting access to ongoing services, is in the best interest of borrowers," Brendan says.

Daniel explains how mortgage brokers are currently paid. "We receive payment from the banks when and if a loan is arranged. We also receive 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," he says.

"Homeowners tell us they value continuity of service," Kathryn says. "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 adds.

According to the MMO team, the majority of mortgage brokers are small businesses committed to serving the needs of their local community. It is imperative that every single homeowner retains access to mortgage broking services without incurring additional fees. Homeowners need support to establish their loan initially, but also want ongoing support to ensure their home loan is properly managed.

Brendan says the ability of mortgage brokers to provide this ongoing support is partly why the mortgage broking industry has seen significant growth in recent years.

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

"We have ongoing discussions with clients about interest rate changes and the pro and cons of fixing in at a particular time. We investigate property prices in a client's area, conduct feasibility assessments on renovation plans as well as help homeowners make changes to their existing loans. We also spend a lot of time lobbying lenders on our client's behalf, helping to secure them additional rate discounts off their existing loans," Daniel says.

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According to Kathryn, MMO was established to help teach property buyers and homeowners better ways to manage their mortgage over the long term. Their team culture is driven by family values and always putting the interests of clients first.

"It's this commitment and our ability to deliver one-on-one support that has allowed our mortgage business to grow over the years," Daniel says.

"Word of mouth referrals is our primary source of business, with 90% of new finance coming from our existing clients or new clients referred to us by existing clients. Clients we helped 10 years ago, we're now helping their children."

Because they have always been and always will be committed to doing what's best for homeowners, the MMO team say they feel called to stand up for their industry to ensure Canberrans know exactly what could happen if the proposed changes are introduced.

"This is about homeowners, local Canberrans and what's in their best interests going forward," Brendan says. "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 proposed changes could impact you personally.

"We need to ensure that policy makers carefully consider the intended – and unintended – implications for Canberra homeowners, should the Royal Commission recommendations be implemented as they stand."

For more information, please visit mmo.com.au/canberramortgagebroker



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