

Mortgage broker vs bank manager: which is best?



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Many people head straight to their bank when it comes time to apply for a home loan, but finance experts warn, you may be missing out on significant benefits if you do.

There are countless reasons why it pays to use a broker when shopping for your home loan, and even if you want to use your own bank for your mortgage, you can still use a [mortgage broker](#) to process paperwork and manage the application on your behalf.

But if your heart's not set on using a particular lender, a broker can be your best friend, says Medine Simmons from www.mfsimmons.com.au.

She offers the following five arguments as to why every borrower should seek out a qualified mortgage broker when trying to obtain property finance:

1. Choice “The biggest advantage of a broker over a bank is choice,” she says. “When you sit in front of a broker you are sitting in front of 10+ banks and 50+ products versus visiting a banker who has access to only one bank’s products. This is especially important at time like now, when the banks are saying ‘no’ more, and by having more choices you’re likely to get a ‘yes’.”

2. Experience Ask your lending manager how long they’ve been helping people with home loans, Simmons suggests. “Brokers often own their own businesses and are committed to their clients in the long term, with many years of industry experience,” she says. “Banks are big companies; they move their staff around and reward good performers with promotions away from their customers.”

3. Specialisation If you’re looking for specialised assistance with your loan, it pays to talk to a specialised broker. “For example if you’re starting property investing, look for a broker who specialises in property investors. Bank staff often don’t have the training or experience in one area, but service whoever happens to walk in to the branch,” Simmons says.

4. Follow Up Following up the progress of your loan application is time consuming and frustrating. A good mortgage broker will have a system for chasing you up, keeping you informed and saving you time.

5. Personal Banker Your mortgage broker is “like the perfect personal banker,” Simmons says. “They know what needs to be done, they make sure it happens and because it’s their own business, they’re in for the long haul. Bank staff change often so even when you find a good personal banker they change jobs before you know it.”