

Mortgage Brokers

Consumer group Choice is urging consumers to be cautious about using a mortgage broker.

Mortgage brokers are involved in around half of all new home loans, and to be fair, a good broker really can help you navigate the maze of mortgage options.

But don't forget they receive commissions on the loans they recommend.

So, the bigger your loan, the more your broker receives in commission, and a Choice shopping survey found some brokers may encourage borrowers to take out unnecessarily large loans.

The best thing though is to arm yourself with some home loan shopping – that way you know if a broker's advice is in your best interests. Bear in mind, some of the cheapest home loans are offered by lenders that don't deal with mortgage brokers at all.

So I'd like you to check out loans on those free sites like RateCity or Infochoice to make sure you're getting the best deal.



Source; Choice media release: *Plenty of room for improvement for brokers*, 6 May 2015