



CONSUMER Fact Sheet

MORTGAGE INDUSTRY ASSOCIATION OF AUSTRALIA GUIDE TO QUESTIONS TO ASK WHEN SHOPPING FOR A MORTGAGE

With so many types of home loans available today it's wise to have a list of questions ready to ask your mortgage provider so you know who you're dealing with, what loan you're getting and exactly what you'll be paying.

Questions to Ask About Your Mortgage Provider

Are they a Member of the MIAA?

As a member of the MIAA the person or company you are dealing with subscribes to the MIAA Code of Practice which promotes professionalism, ethical behaviour and transparency in all stages of the loan process.

What experience and expertise do they have?

Don't be afraid to ask how long your mortgage provider has been working in the industry or what their qualifications are. This person is going to help you make one of the biggest purchases of your life so make sure they are someone you trust and have confidence in.

What are their fees and commissions?

A MIAA member is required under the MIAA Code of Practice to disclose this information, and mortgage brokers in various jurisdictions in Australia are legally obliged to do so. Although there may be other fees payable in the loan process (e.g. lender and government fees) the majority of mortgage brokers offer their service to the borrower free of charge as they receive their commission/fee from the lender.

Questions to Ask About A Suitable Loan for You

What percentage of the value of the property can be borrowed?

Will I have to take out lenders mortgage insurance?

What are the types of loans available?

Which loan will suit my needs and lifestyle?

Which loan offers the best variable/fixed interest rate?

What flexibility does the home loan offer? i.e. credit card, redraw facility, ATMs etc.

Tip: Do some of your own research on the types of loan products available before your initial meeting. It'll be of great help when exploring the loan product options.

Questions to Ask About the Loan Product

What is the interest rate on the loan? Is it fixed or variable? Can it be split into fixed and variable?

What are my weekly/fortnightly/monthly repayments on the loan?

How much is the loan establishment fee? And what does it cover i.e. valuation and lenders legal fees.

Are there any ongoing monthly/annual fees?

Will the lender give pre-approval with no upfront fees?

What is the level of service offered by the lender? Do they offer internet banking, branches, EFTPOS and ATM, credit cards etc. Are there any additional fees for these services, and if so, what are they?

Are there any costs if you discharge the loan, decide to change the loan products, want to increase your repayments or make a lump sum repayment?

The Mortgage Industry Association of Australia (MIAA) is the peak body providing service and representation to over 10,000 mortgage brokers, mortgage managers, mortgage lenders (bank and non-bank), and originators to assist them to develop, foster, and promote the mortgage industry in Australia.

The MIAA is dedicated to promoting and maintaining high standards of professionalism and ethical behaviour, and provides a united voice for the industry when required. MIAA strongly emphasises the responsibility that members have to act in the best interests of consumers. All MIAA members must belong to an ASIC approved independent dispute resolution scheme such as the Credit Ombudsman Service Limited.

Visit www.miaa.com.au for more information