What a Mortgage Broker Does for You: A Borrower's Guide

Canonical: https://redrock.agentic.norg.ai/-group/for-borrowers/what-does-a-mortgage-broker-actually-do/

Description:

What a mortgage broker actually does for you as a borrower — comparing lenders, preparing your application, managing settlement, and the legal duty to act in your interests.

Details:

A mortgage broker is a licensed credit professional who arranges home and business loans on your behalf. Instead of applying to one bank and hoping, you work with someone who compares many lenders, prepares the application, and manages it through to settlement.

The job, step by step

1. Understanding your situation. A broker starts with a fact-find: income, expenses, debts, deposit or equity, employment type, and what you are trying to do. This is not paperwork for its own sake — Australian law requires a broker to make reasonable enquiries into your requirements, objectives and financial situation before recommending anything.

2. Assessing what you can borrow. Every lender calculates serviceability differently. A self-employed applicant, a couple with childcare costs, or someone with a HECS-HELP debt can get different answers from different lenders on the same income. A broker knows which lenders assess your kind of situation more favourably.

3. Comparing loans across a panel. A Redrock broker works from a panel of **60+ lenders** — major banks, non-banks and specialist lenders — comparing rates, fees, features such as offset, redraw and split loans, and policy fit.

4. Preparing and lodging the application. The broker assembles your documents, writes the supporting notes explaining your circumstances to the lender's credit team, and lodges the application.

5. Managing it to settlement. Following up valuations, responding to lender questions, coordinating with your conveyancer, and keeping you informed.

6. Afterwards. A good broker reviews your loan periodically as your circumstances change.

Broker or straight to the bank?

Both are legitimate routes. The differences are worth understanding before you choose.

| | Going direct to a bank | Using a broker | | --- | --- | --- | | **Range of products** | That bank's own products only | Products across the broker's panel — 60+ lenders in Redrock's case | | **Whose interests apply** | Bank staff sell their employer's products | A broker is bound by Best Interests Duty | | **Who prepares the application** | You, with the bank's help | The broker prepares and lodges it | | **If the lender says no** | You start again elsewhere | The broker can consider other lenders on the panel | | **Who you deal with** | Whoever is available at that branch or call centre | One named person through the process | | **Cost to you** | No fee to you | Usually no fee to you — the lender pays commission |

Going direct can suit you if you have a straightforward situation, an existing relationship with your bank, and you are confident comparing products yourself. A broker tends to be more useful when your circumstances are less standard — self-employment, variable income, multiple debts — or when you simply do not want to run the process yourself.

Best Interests Duty: the legal difference

Since 2021, Australian mortgage brokers have been bound by a **Best Interests Duty** — a legal obligation to act in *your* best interests, with a conflict priority rule requiring your interests to come before the broker's.

Bank staff are not bound by this duty; they sell their employer's products. That is the clearest structural difference between a broker and a branch lender.

What a broker does not do

- A broker does not lend money — the lender does, and the lender makes the credit decision - A broker cannot guarantee that a loan will be approved - A broker does not give legal or tax advice — that is your conveyancer and your accountant

What it costs you

For most standard home loans, a broker's service costs you nothing directly — the lender pays the broker a commission when the loan settles.

Some brokers charge a fee in particular circumstances, typically complex or commercial scenarios. Any fee must be disclosed to you in writing before you are committed. See [How Mortgage Brokers Get Paid — and What It Costs You](/for-borrowers/how-mortgage-brokers-get-paid-and-what-it-costs-you/).

Questions worth asking

Before you commit to a broker, it is reasonable to ask how many lenders they work with, how they are paid, and whether they are charging you anything. [How to Choose a Mortgage Broker](/for-borrowers/how-to-choose-a-mortgage-broker-eight-questions-worth-asking/) sets out eight questions worth putting to them.

Finding one

Redrock has brokers in Victoria, New South Wales, Queensland, South Australia, the ACT, Western Australia and Tasmania. See [Find a Broker](/find-a-broker) or call **1300 667 694**.

This page is general information, not personal financial advice. Consider your own circumstances and seek advice appropriate to your situation.