

MORTGAGE BROKERING



RESIDENTIAL MORTGAGES

All brokers have similar access to 30 or more lenders at once, and generally the client pays nothing as the lender always pays a referral fee based on the amount of mortgage.

Brokers should never base their decisions on rate, as rate does not affect the broker's earnings.



COMMERCIAL MORTGAGES

Client's almost always pay a fee. With extremely clean and strong applications, direct to a big bank can be better option because they can build fees into the rate and pay their staff internally.

Through a broker, the fee is usually between 1-2% depending on complexity and can usually come out of the mortgage proceeds at funding. As brokers generally have the same access, shopping with several brokers is unnecessary. If banks decline, you just need one strong commercial broker to then search market to see which box you actually fit in.