

6 questions to ask your mortgage broker

Australians often call on mortgage brokers to help navigate the complexities of finding the right home loan. As an online mortgage broker, [uno](#) helps buyers and refinancers find a great home loan for their situation. Here are six questions you should ask your mortgage broker so they can find the right deal for you.

The fun begins when you unlock the front door and step inside the amazing new place you now call home. But first, you have to jump through some pretty adult hoops to finance your dream.

This is where your mortgage broker comes in handy.

Your broker can help alleviate the rigours of the home loan process – as long as we find the right one. As a digital mortgage broker, [uno](#) Home Loans enables you to reap the benefits of a traditional broker without having to leave your home or office. Everything can be done online or over the phone.

With a combination of brokers and our specialised mortgage broking technology, we help customers start on a great rate, and stay on a great rate for the life of their loan.

No matter which broker you have your eye on however, the following six questions will help as a guide to stimulate the kind of conversations you should be having.

Question #1: Why should I use a broker?

During the September 2018 quarter mortgage brokers settled an unprecedented 59.1 per cent of all residential home loans. The

question is, why do so many Australians use one?

They can help pair a customer with a home loan product and lender to best meet their needs

They can be a valuable source of education and advice for consumers who need to navigate the often-overwhelming complexities of the home loan process

They have the potential to introduce customers to more affordable products in some circumstances, on account of their understanding of the options; they can also empower customers to bargain more confidently with lenders

If you don't have the time to do the extensive research required to properly assess the variety of home loan products available to you, a mortgage broker can do this for you (within the panel of products they sell).

Ask your broker what they can do for you. Ideally you want choice and access to competitive rates. At uno we have 30 lenders on our panel, including the big 4, with super competitive rates currently starting from 2.19%(1) (2.61% comparison rate)(2).

Question #2: How much experience do you have?

The Australian Securities and Investments Commission (ASIC) stipulates brokers need to have a Certificate IV in Finance and Mortgage Broking to meet the minimum requirements to operate legally in Australia.

Brokers are required to operate under their own Australian Credit Licence (ACL) or as Credit Representative under another entity's ACL too. It's always worth checking that your broker has these qualifications before you proceed.

Question #3: How much can I borrow?

The big question plaguing home buyers tends to be, 'how much can I borrow?' As a starting point, [uno's borrowing power calculator](#) will give you a good indication of the approximate amount you can expect to borrow.

To use it, you'll need to know your intended purchase price, how much of a deposit you'll have (in Australia, you'll usually be required to save 5 – 20% of the house price, depending on your borrowing requirements), how close you are to buying, whether you intend to live in the property or use it as an investment – and your income. For more info, read: [How much deposit do I need to buy a house](#)

Once you speak to us, however, we'll be able to give you a much more accurate indication of your borrowing capacity. Brokers act as the go-between for you and the lender. Lenders will need to know your living expenses, debts, credit score and whether you have dependents. A broker can factor all these things into the right loan.

A broker can also explain home loan terms you'll need to know, such as LVR, which is the initials for Loan-to-Value Ratio and refers to the percentage of the total loan amount you seek to borrow. They can also explain things like Lenders Mortgage Insurance (LMI) and principal and interest repayments (P&I).

Question #4: What will the true cost of my home loan be?

A great way to utilise the knowledge and experience of a broker is to get them to work out the true cost of your home loan. Based on whether you're paying principal and interest or interest only, how much of a deposit you have and the length of your loan term, your broker will be able to work out how much you'll actually pay to the bank over the life of the loan.

By maximising your deposit amount and minimising your loan term,

you stand to significantly reduce the overall cost of your loan. However, there is much more to answering what the true cost of your home loan will be. Upfront fees such as valuation fees, conveyancing and legal fees need to be added to the total cost. Ongoing fees such as those you can incur for using a redraw facility, monthly service fees and annual fees can be costly. And exit fees such as fixed rate break costs can amount to thousands of dollars.

While it's impossible to forecast the entire cost of your home loan to the cent – and let's not forget how life circumstances and changes can affect your ability to pay your loan too – by [contacting a broker](#) they can help clarify the big picture details.

Our state of the art technology delivers results tailored for your personal needs and our team of expert brokers can use this information to help you decide which loan is best for your circumstances from our panel of lenders.

Question #5: What features should my home loan have?

Much like cars, computers and TVs, home loans are stacked with features. Depending on your personal circumstances, some of the features of your home loan will affect the total cost more than others. Things to ask your broker about include the ability to make extra repayments, the use of a [redraw facility](#) and/or an [offset account](#): what they mean and which ones are best for you.

Different personal scenarios and situations will affect the features you require. You might also anticipate some changes to your situation – children, downsizing or renovations – and others that might surprise you, such as illness and job loss. [A broker will help you rank the features](#) in order of most important to least important to you.

Question #6: How can I prepare to work with my broker?

After you've [set up an account](#) with uno, a broker can give you a call and go over your details. They will then let you know what you'll need to supply to progress with your loan application.

It's a good idea to have the following documents ready to share with your broker:

ID, payslips

Transaction history

Tax returns

Employment history

Proof of funds for a deposit

With these things in hand, you'll be well equipped to start the home loan process and well on your way to getting those shiny new keys to the door.

Ok, so are you ready to get started? Here's some quick links to get you on your way.

[Check my borrowing power](#)

[Find me a home loan](#)

[Contact a broker](#)

It's important to note that the information we give here is general in nature – no matter how helpful or relatable you find our articles. Even if it seems like we're writing about you, it's not personal or financial advice. That's why you should always ask a professional before making any life-changing decisions.

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