



FINANCE BROKER'S CONTRACT & PRIVACY STATEMENT AND DISCLOSURE

FBC Type 2

This contract is to be used when no fees are payable by borrower. A subsequent disclosure letter may not be required because actual commission and benefits are known when FBC is entered into and is disclosed in FBC.

Important Information Sheet for Finance Brokers

Please read carefully before using the following Finance Broker's Contract & Privacy Statement & Disclosure documents.



FBC TYPE 2 CONTRACT

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General Explanatory Notes

This is a standard document which should be tailored to your own particular business structure. For example, the Privacy Statement & Disclosure clause appearing on page two in the document may not fit your particular business. This will be the case if you are allowed to do credit checks or liaise with credit reporting agencies. In these circumstances more detailed discussions are required.

To ensure you are complying with the legislation, the MFAA also advise you to seek independent legal advice as to whether the following document needs to be amended to suit your own particular business structure.

Explanatory notes referring to 'Broker's Name' in the Finance Broker's Contract & Privacy Statement & Disclosure Document:

Examples:

- John William Jones employed by Broker Pty Limited ACN 023 456 783. John is only paid a base salary. Broker Pty Limited ACN 023 456 783 should be identified as the finance broker.
- If instead John is paid a base salary and commission based on loans brokered and a major part of John's job performance relates to the volume of loans he writes then either "John" or "Broker Pty Limited ACN 023 456 783" may be identified as the finance broker. If John is identified as the broker then his relationship with Broker P/L should be disclosed (e.g. John William Jones authorised broker for Broker Pty Limited ACN 023 456 783).
- Individual trading under a business name e.g. John William Jones trading as Good Mortgages.
- Two individuals trading under a business name e.g. John William Jones and Sarah Jones trading as Good Mortgages.
- Independent contractor representing a group e.g. John Williams Jones an authorised broker of Group Pty Ltd OR Broker Pty Ltd an authorised broker of Group Pty Ltd.
- Note: The fees and benefits received by the named broker is what must be disclosed – not the fees and benefits of any aggregator or head contractor. The fees of any aggregator or head contractor should only be disclosed if they would be reasonably likely to influence the broker's recommendation.

Disclaimer: The Mortgage & Finance Association of Australia (MFAA) accepts no liability whatsoever arising directly or indirectly from the use of any Finance Broker's Contract & Privacy Statement and Disclosure documentation or any associated documentation by any person, business or corporation.

FINANCE BROKER'S CONTRACT & PRIVACY STATEMENT AND DISCLOSURE

Broker's Name (we, us, our): _____ ACN _____
(if Broker is a Company): _____

Broker's Address: _____

Borrower's Name (you/your): _____

Borrower's Address: _____

Security Offered: _____ Date by which finance to be obtained: _____

***This box summarises the main terms of the loan you are seeking**

Loan Amount: \$ _____ Term: _____ years

Repayments (including any recurring fees): Up to \$ _____ per month. [Or for line of credit loans] Interest only repayments on the amount of the loan outstanding from time to time.

Interest rate: Up to _____% per annum. (A higher rate may apply if the loan is in default. If there is a general increase in the market interest rates, the rate will be correspondingly increased).

Special loan features: Redraw facility Internet banking Card access Telephone Banking

Other (specify): _____

The Broker's Panel Lenders:

We have entered into arrangements with the lenders, if any, specified on the attachment to this contract marked 'ATTACHMENT "A"'. Subject to meeting the lender's credit criteria, we are able to obtain credit for you from those lenders. These lenders do not necessarily represent all the lenders who offer credit of the nature you seek.

Fees payable by you:

No fees are payable by you to us.

Benefits to be received by us by persons other than you:

[The FBC or Disclosure Letter must disclose any benefits or relationships which may influence the recommendations of the broker named in the FBC. Amend the disclosures below to ensure compliance with this requirement.]

We may receive an upfront commission of between _____% and _____% of the amount borrowed by you and an ongoing commission of between _____% and _____% of the balance owing by you from time to time.

If you accept our recommendations we will receive an upfront commission of \$ _____ and ongoing commissions of _____% of the balance owing by you on or about the end of each calendar month.

These percentages will include GST.

We confirm that:

- We do not determine or recommend the conditions of the credit contract (such as interest rates, fees or the term of the loan);
- We and nobody else will receive any financial or other benefit or have any other interest or relationship which could reasonably be expected to influence our recommendation other than as disclosed in this agreement; and
- We undertake to inform you if, after recommending a particular product and prior to you entering into a contract for that product, the commission payments differ from those described in this agreement.

Referral Fee: A fee up to \$ _____ may be paid to _____ for referring you to us.

Valuation/application fee payable by you to the lender: \$ _____

- You agree to engage us to arrange the loan described above on your behalf.
- We recommend you obtain your own legal and financial advice regarding the suitability of any loan.

Privacy Disclosure Statement and Consent:

[The following disclosure and consent is only applicable to brokers who only conduct brokering services. It will need to be amended if other services are provided, e.g. credit assessments, liaising and obtaining information from credit reporting agencies, etc]

We are collecting personal information about you to provide you with our brokering services. The information is required to allow us to assist you in preparing the loan application and locating an appropriate lender. If your information is not provided we may not be able to find an appropriate loan for you.

We may use your information to provide you with offers or information of other goods or services we or a third party may be able to provide you with, unless you tell us not to.

We may disclose your information to other organisations to fulfil the purposes identified (or purposes related to those purposes). The types of organisations we may disclose your information to include:

- Lenders;
- Mortgage insurers;
- Other mortgage intermediaries;
- Valuers; and
- Other organisations which assist us (such as printers, mailing houses, lawyers, debt collectors and accountants).

In addition, we may disclose your personal information to any other organisation that may wish to, or has acquired, an interest in your loan or in our business.

You can gain access to the information we hold about you by contacting us at the above address.

You agree that we may collect and use your personal information as specified above.

Date: _____

Signed Borrower: _____ **Signed Borrower:** _____

Signed Broker: _____

