



# Media Release

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## Commonwealth Bank takes lead on mortgage broker education and standards

Commonwealth Bank has announced an enhanced mortgage broker model to ensure quality customer outcomes

**Thursday, 14 December 2017:** Commonwealth Bank has today announced new benchmarks for mortgage brokers designed to lift standards and ensure the bank is working with high-quality brokers who are meeting customers' home lending needs.

From early 2018, new mortgage brokers will be required to meet new minimum education standards to be able to write Commonwealth Bank loans, as well as demonstrating a commitment to professional development, and on-the-job experience.

The new accreditation standards are part of CBA's new mortgage broking model and long-term commitment to the industry. The new model follows the release of the mortgage broker reform package by the Combined Industry Forum (CIF) this week, to which Commonwealth Bank was a contributor.

Dan Huggins, Executive General Manager Home Buying, said CBA is supportive of the CIF recommendations and committed to implementing the elements of the package over the coming months.

"As a leading home lender we recognise mortgage brokers as a key channel for customers who are looking to purchase a home, and we have been working with the industry forum to find the right balance to ensure the best customer outcomes.

"Our new standards follow extensive consultation with brokers and are another example of our commitment to delivering the recommendations of the Sedgwick Report and ASIC review well before the 2020 deadline," Mr Huggins said.

As part of the new broker model, to be considered for CBA accreditation all new brokers will be required to meet the following standards:

- Hold at least a Diploma of Finance and Mortgage Broking Management;
- Be a current member of either the Mortgage & Finance Association of Australia (MFAA) or the Finance Brokers Association of Australia (FBAA);
- Be a Direct Credit Representative or employee of an approved Aggregator/Head Group or Australian Credit License (ACL) holder;
- Have at least two years' experience writing regulated residential loans.

CBA will work closely with brokers who meet these requirements during the accreditation process, including conducting interviews and providing support with professional development plans. CBA expects to launch the new process in the first quarter of 2018, with all new accreditations on hold until then to ensure the new process is implemented effectively.

In addition to the updated accreditation standards, CBA is also reviewing non-monetary benefits provided to brokers to ensure they support good customer outcomes; improving the value proposition for accredited

brokers; and rolling out the industry's proposed changes to commissions and KPIs. These changes will be in line with the principles announced in the CIF package, and further details will be released in the new year.

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