



## 11 Questions to ask Your Mortgage Broker

You've saved your deposit and you're ready to start looking at properties, but have you considered all the details? Here are 10 questions to which you need answers.

### 1. How do I choose the right mortgage broker?

Look for a mortgage broker who's a member of the MFAA (Mortgage & Finance Association of Australia). MFAA members must hold diploma standard qualifications and maintain continuing professional development. Plus, should anything go awry, your complaints may be investigated by the MFAA's Tribunal.

### 2. How many properties should I look at before buying?

A good rule of thumb is to inspect at least 15 properties to get a feel for the market and also to check RP Data reports on sale prices. We can help you with this.

### **3. How much deposit do I need?**

The larger your deposit, the better. Sometimes you can secure a property with just a few hundred dollars' deposit, but most markets still require at least 5 to 10 per cent deposit and sometimes 20 per cent.

### **4. What if I've just found the perfect property, but haven't finished saving the deposit?**

You may be able to apply for a deposit bond (for up to 48 months). This is a second loan that covers the deposit.

### **5. Am I eligible for any grants?**

Ask your mortgage broker if you are eligible for the First Home Owners' Grant, First Home Buyers Assistance Scheme, First Home Loan Deposit Scheme or the New Home Builder Scheme. The answer will depend on the value of the property, whether you are purchasing it with help from your parents, whether and how long you intend to live in the property, whether it is the first property you have purchased and more.

### **6. Do I have to pay stamp duty?**

Yes, but you may be eligible for a rebate on the second type, so be sure to ask.

### **7. What other costs should I allow for?**

You need to have the property inspected for structural problems and pests before purchase and you may need a solicitor or a conveyancer – a specialist property lawyer. Then there is the cost of actually moving out of one property and into another

- allow for removalists, cleaning and any new furniture and fixtures the new property requires.

## **8. Can I negotiate the fees of a solicitor or conveyancer?**

Of course, and just as you will when choosing the right mortgage broker, you may want to shop around, meeting with two or more such providers.

## **9. Do I need mortgage insurance?**

Most lenders will require you to pay mortgage insurance if you are borrowing more than 80 per cent of the property's value.

## **10. What other insurance will I need?**

Check with your adviser as to when you become liable for building insurance. You may also want to think about income protection insurance in case you become ill and can't work.

## **11. Do you charge for your services?**

Some Mortgage Brokers charge their clients for their services. My Mortgage Professionals feel that the amount of commission paid by their accredited lenders is sufficient to compensate them for their time and expertise, so we won't charge you anything for the service we provide.



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