
Dear Sir/Madam.

I refer to the copy of the Green Paper recently released by the Minister for Superannuation and Corporations Law, the Hon Nick Sherry, in respect to proposed changes to the law relating to Financial Services.

The Green Paper as it applies to Finance Brokers and the services that they provide was drawn from a Draft Finance Broker Act 2007 prepared by the NSW Dept of Fair Trading.

Our business involves Finance Broking and the provision of services aligned with Finance Broking. We have serious concerns as to the practical application and the outcomes that it professes to address.

Our concerns are addressed in the submission which is attached to this letter. We join with a number of other like businesses in presenting these concerns in the submission. We believe that the draft legislation should be revisited and only considered after its proposed sections have been workshopped with brokers who are active in the market and who have a good understanding of the issues that arise from the draft legislation and the way that they will impact on brokers and particularly their clients.

We are also concerned that the proposals as presented will fail in their primary objective of protecting the consumer from any rogue elements that are presumed to operate within the industry

We are also very concerned that, since the proposed legislation ensures that bank employed loans managers and mortgage brokers are not treated equally, the position of brokers will be severely hampered, especially in the area of LoDoc loan provision, with the end result that consumers will again be restricted to working through Bank employed operatives for provision of their finance, resulting in a likely return to the bad old days when banks were able to hold the marketplace to ransom, charging profit margins for their services that were almost twice what the industry has now been able to achieve for the public at large.

We thank you for the opportunity to place our concerns before the Minister and would welcome any enquiry from your office should you require more detailed explanation of the submission enclosed.

Yours Faithfully

David Reynolds
Principal

Tel: (07) 5564 0011 Fax: (07) 5564 0066
Mortgage Choice - voted 2007, 2005 & 2004 Best Mortgage Broker
- Aust. Banking & Finance Magazine Awards.