

Aggregator Reporting

This document outlines Smartline’s Aggregator Reporting recommendations proposed by Combined Industry Forum (CIF). CIF was established to respond to proposals outlined in the Australian Securities and Investments Commission’s (ASIC) 2016 Review of Mortgage Broker Remuneration (ASIC Report) and takes into account the third party recommendations of the Australian Bankers’ Association (ABA) 2016/2017 Retail Banking Remuneration Review (Sedgwick Review). Reform 5 of CIF outlines public reporting commitments for all aggregators including lender reporting for Smartline.

1.1.1 Aggregator/Broker Group Report 1

Under CIF proposals, Aggregators are to publish and provide to ASIC the list of all lenders available on panel and percentage share of business written with each over the previous financial year (1st July – 30th June).

Paid Settlements is the \$ value of settlements actually disbursed by the Lender in relation to business introduced by brokers aligned to the Aggregator/Broker Group in a particular financial year

The data in all report scenarios relates to the reporting period 1st July 2019 – 30th June 2020

Lender	Split (%)
Adelaide Bank	1.65
AMP	0.81
ANZ	9.35
ASF	0.00
Australian Military Bank	0.02
Australian Unity Bank Limited	1.86
Auswide Bank Ltd	0.10
Bank of Melbourne	1.99
BankSA	2.14
BankWest	6.14
Better Choice Home Loans	0.05
Better Mortgage Management	0.09
Bluebay Finance	0.07
Bluestone Mortgages	0.38
CBA	21.45
Citibank	0.58
Credit Union Australia	3.50
FirstMac	0.96
Goldfields Money	0.00
Heartland Seniors Finance	0.05

Lender	Split (%)
Heritage	0.35
HLO HomeLoans Ltd	0.28
Homestart	0.17
HSBC	9.27
ING Direct	4.86
Keystart Home Loans	0.83
La Trobe	0.24
Liberty Financial	0.81
Macquarie Mortgages	8.36
ME Bank	1.34
Mortgage Ezy	0.01
NAB	6.39
NAB Broker	0.01
Peoples Choice Credit Union	0.00
Pepper Homeloans	0.57
Police and Nurses Mutual Banking WA	0.52
Qudos Bank	1.72
SMARTLINE Select	3.02
St George	3.11
Suncorp Metway	2.17
Westpac	4.79

1.1.2 Aggregator/Broker Group Report 2

Under CIF proposals, Aggregators/Broker Group's to publish and provide to ASIC the spread of the number of lenders* being used by brokers in the group/aggregator over the last financial year. Specifically:

- % of brokers using < than or equal to 3 lenders
- % of brokers using 4 - 7 lender
- % of brokers using 8+ lenders

*Lenders to be included where there were paid settlements by the Lender in relation to business introduced by brokers aligned to the Aggregator/Broker Group in the financial year.

% of Brokers		
Using less than or equal to 3 lenders	Using 4 -7 lenders	Using 8+ lenders
26.5%	23.6%	49.9%

1.1.3 Aggregator/Broker Group Report 3

Under CIF proposals, Aggregators/Broker Groups to publish and provide to ASIC the weighted average commission rate percentage earned in the previous financial year (1st July – 30th June) for mortgages.

Weighted Average Upfront Commission rate (%)	Weighted Average Trail Commission Rate (%)
0.65%	0.18%

Glossary

Term	Explanation
Aggregator	<p>the group that holds the direct agreement with a lender i.e. not sub-aggregator.</p> <p>ASIC also further defines an aggregator as:</p> <p>“A business which provides aggregation services to a broker business or broker and with which a lender a direct contractual relationship. It does not include a broker business or broker which does not provide aggregation services, even if there is a direct contractual relationship with the lender. If a lender has a contractual arrangement with an entity for aggregation services and a related party of that entity provides the aggregation services to a broker business or broker, then the two entities are treated as one aggregator”</p>
Broker	<p>a registered individual Credit Representative that is active as at 30 June for the completed reporting period and has been operating as a broker for the 12-month reporting period; if a broker has been operating with their aggregator less than 12 months, then they would still be required to report the scoped data, however include a note advising their tenure with the group</p>
Lender	<p>Includes a person who has a servicing agreement with a special purpose funding entity (ASIC definition)</p>
Lenders Available	<p>all lenders whom the aggregator has an active agreement in place with at time of publication</p>
Lenders Used	<p>based on paid settlements to the broker during the reporting period</p>
Paid Settlements for Aggregator Reporting	<p>\$ value of residential mortgage settlements disbursed by the Lender in relation to business introduced by brokers aligned to the aggregator in the reporting period</p>
Reporting Period	<p>1 July to 30 June of the financial year; data is taken once per annum, not on a rolling annual basis</p>