

TMP STATS**Formed:** May 1998**Key directors:** Michael Ryce, Jeff Wong, Michael Nicholson**No. of brokers (including loan writers):** 202**Loan book:** \$3bn**Lender panel:** 33 residential lenders, 12 commercial lenders**Company awards:** 2007 MFAA Finalist Retail & Wholesale Aggregator/Originator of the Year; 2006 AMA Winner - Brokerage of the Year (over 10 staff); 2003, 2004, 2005 AMA Finalist - Brokerage of the Year (over 10 staff)

points out, it is almost impossible for a brokerage to maintain 20 lenders, and keep their brokers and loan writers fully abreast of commissions and product changes. There are also the minimum volumes that lenders want met.

Not that the panel needs to be overloaded with lenders; in fact, TMP culled six residential lenders during a 24-month period simply because brokers were not using them enough. Lender commission levels do not drive TMP brokers either, he stresses. He highlights this point by recounting how TMP knocked back a lender that wanted to offer incentive commissions to brokers based on volume.

The bigger picture

Like other aggregators, Nicholson is helping to facilitate residential brokers shift into new product areas. "We're diversifying more on the commercial side, we've also got life insurance... and we're looking into the financial planning side."

He cautions, though, that only experienced brokers are best suited to some of the newer product areas being mooted as potential fresh revenue streams for residential brokers. "I think it's very dangerous for a broker to be the 'be all and end all'... a financial advisor, a loan writer, an accountant, all rolled into one." He, like many others in the industry, points to education as something that brokers should be focused on.

Another issue that is slowly gaining traction in the industry is note taking. This is particularly important in the non-conforming sector where the potential for defaults – and subsequent litigation by desperate borrowers – can turn a spotlight on a broker's record taking. What did the broker tell the client? And does the broker have proof that this was the case?

"We all get very busy, but I think it's very important that brokers take notes," he warns. "I'm quite wary of the [low]-doc market... I think this is a time bomb waiting to go off. It doesn't matter how well you shield your brokers from it, clients, when they're going down, will just grab whatever they can. If you're the lifebuoy out there, you're going to be grabbed and dragged down." **MPA**