

How to become a Finance Broker



Once you have completed a finance broking qualification, you can use it to seek employment in a financial services organisation or become a Licensed Credit Adviser.

To be licensed as a Finance Broker, Mortgage Broker or Licensed Credit Adviser, you need to be appointed as an **Authorised Credit Representative**. Here's how to do it:

Step 1

Complete either the Certificate IV in Finance and Mortgage Broking (FNS40821) or the Diploma of Finance and Mortgage Broking Management (FNS50322)

The Certificate is the base qualification. The diploma provides additional training in more complex finance and management and is the preferred qualification to provide credit advice to most clients. Both of Monarch's finance and mortgage broking courses are nationally accredited and accepted for broker licensing.



Step 2

Take out a Professional Indemnity Insurance Policy

Commonly used insurance agents:

- Insurance Made Easy
- CGU (direct)
- BizCover
- Professional Insurance

Note, some of the aggregators offer special deals (discounts) on PI insurance through referred insurance agents.



Step 3

Register with the Australian Financial Complaints Authority

They handle consumer complaints about the finance industry and you must be registered before you talk to any consumers.



Step 4

Join one of the two professional associations:

Finance Brokers Association of Australia (FBAA) or
Mortgage Finance Association of Australia (MFAA)
but you need a diploma to qualify.

You must be a member of one of these organisations to proceed to the next step.



Step 5

Be appointed as an Authorised Credit Representative (ACR) by an Australian Credit Licence holder.

The most common way to become an ACR is through
an aggregator that appoints new ACRs such as:

- Plan (through Buyers Choice Home Loans)
- AFG
- Finsure
- Connective



You need to engage a Mentor for 2 years.
You can use the Mentor service recommended
by the Aggregator or use an independent
mentor service – FBAA lists several.

Aggregators offering free mentoring:

- Outsource Financial
- Loans only

Note that most other Aggregators do not
appoint ACRs with less than 2 years experience.

To join an Aggregator, they will require you to
provide documentary evidence of compliance
from steps 1 to 4 above.

The Aggregator also becomes the connection
between the broker and the lenders to submit
loan applications and collect commissions.

The Aggregator generally takes approx 20% of
the loan commissions to handle your back office
admin dealing with the lenders.

Typical upfront loan commissions on an average
\$400,000 home loan are 0.66%.

After the Aggregator takes their 20% cut,
a broker is left with net just over 0.5% or
approx \$2100 per loan.

Step 6

**Through the Aggregator, apply for
accreditation from each lender
you want to handle finance for.**

Apply for
accreditation

That's it!

You're ready to talk
to clients, give credit
advice and handle
finance applications.

Disclaimer: Licensing requirements are subject to change. Students should make their own enquiries with relevant regulatory authority prior to making any decision around career paths.