

Correction to be published in 'Informer' section of BRW May 16.

Ref: BRW Article, May 9-15, 2002 "The Home Loan Heist"

Our "Home Loan Heist" article published in the last issue made several incorrect references to a Bank /Broker co operative industry statistical collection which is managed and assembled by Melbourne based research group **MISC (Market Intelligence Strategy Centre)**. This Broker loan statistical collection is regarded as the most reliable and accurate measurement of Broker loan transactions in Australia as the contributing Brokers and Banks (whose statistics MISC pools) represent 74% of all Broker transacted Home Loan business in each quarter.

In parts of our article, and specifically where we discussed the size and impact of the industry, we were heavily reliant on the statistics emanating from this collection but incorrectly attributed "other" unsourced measures to the MISC managed Facility which we now acknowledge were wrongly attributed. BRW apologizes for such errors and any inference made as to the quality of the data assembled by MISC. We appreciate that left uncorrected our comments and incorrect attribution would greatly damage the reputation of the MISC research group and the reputation of the Bank/Broker pool managed by MISC on behalf of many of Australia's leading Brokers and Banks. These pool members include:

MISC Mortgage Broking Data Pooling Facility Membership

Banks	Brokers
Bank of Queensland	Choice Home Loans
Commonwealth Bank/Colonial	Mortgage Choice
Suncorp Metway Bank	Lawfund
Adelaide Bank	Bernie Lewis Home Loans
BankWest	LJ Hooker
Citibank	SmartLine Home Loan
Westpac Banking Corporation	

Source: MISC (Market Intelligence Strategy Centre)

Specifically in our article:

- BRW directly attributed another company's research results to MISC - i.e. "Brokers have 30% of home loans" This was incorrect. MISC did not report that 30% of home loans are written by Brokers. BRW understands that the MISC Facility further regards this estimate as inaccurate. BRW apologizes for this error.
- BRW directly attributed state Broker home loan contribution shares to MISC i.e. "In WA brokers have 40% of home loans in NSW 25%". This was an incorrectly attributed to the MISC research. BRW apologizes for this error.
- BRW incorrectly described the *Industry Bank/Broker Pool Collection* which MISC manages on behalf of the Banks and the Brokers as "a survey based on assumptions". BRW now acknowledges that it should have appreciated and made clear to readers that this co-operative collection of industry statistics are in fact actual loan records from Brokers and Banks and as such are not assumptions. BRW apologises for this error and any imputation that follows from that the measures obtained from this collection are any other than accurate and robust. BRW also acknowledges that the initiative of the Brokers and Banks in this pool provides for the first time in this industry an accountable, transparent and independent data source that can be relied on.

Our article was critical of the regulatory control standards within the industry. It was also critical of the lack of transparency in the industry. BRW acknowledges that prior to the commencement of this statistical collection it, like other media, saw misleading anecdotal market measurements that often emanated from within the industry as contributing to this lack of transparency. Such inconsistent and unsubstantiated measures have caused confusion regarding market size, leadership and market

shares in the industry. BRW therefore acknowledges the efforts of these Pool members to collaborate with an independent specialist research group like MISC in order to eradicate erroneous market measurements and ensure (via the Facilities regular reporting) transparency. In this way the industry and the media might be protected from misleading or inaccurate claims about the true state and performance of this industry and its Broker participants.