

# MORTGAGE BROKING

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## **National Bank HomeSide Joins Mortgage Broking Co-operative Statistical Pool as Industry Reports \$13 Billion Quarterly New Business Record**

**FINAL RELEASE**

**Embargoed until 12 midnight - 25 May 2004**

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## **National Bank's HomeSide Origination Joins Mortgage Broking Co-operative Statistical Pool as Industry Reports \$13 Billion Quarterly New Business Record**

The widely respected MISC Mortgage Broker Industry Statistical Pool, which last quarter recorded \$13.3 billion in Mortgage Broker home loan business, announced today the addition of the National Bank's HomeSide Broker Origination group as a new member. This adds to the statistical Pools impressive list of major Broker channel lenders who along with leading Australian Brokers in 2001 pioneered this first co operative industry wide statistical collection of broker home loan transaction data. The collection has become the official measure of Broker home loan business in Australia and proudly counts as one of its user members, the Reserve Bank. HomeSide's head of origination Mike Lawrence said today that *"the MISC Broker pool represents an industry wide commitment to ensuring industry transparency and statistical independence and the decisions to join represents National and HomeSide's commitment to this industry,"* Mike Lawrence, Head of Origination.

The origination business of the National Bank (i.e. HomeSide Lending) serves some 300 broker origination groups and over 5,000 individual brokers in Australia. HomeSide was established as a separate dedicated Broker channel within the National Group as early as 1999. National Bank Group utilizes a significant third party network along with its retail platform to serve the entire home loan market in Australia. MISC says the addition of National / HomeSide as a pool member is an important milestone in the Pool's continued development. Its actual data contribution will replace broker derived trace backs of HomeSide business and thus improve the accuracy and coverage of the pool results.

The MISC Mortgage Broker Statistical Pool, which collects 76% of all broker transacted home loans from its bank and broker pool members, is now in its 13th quarter of data collection. Since its establishment, MISC has seen growing membership as more and more brokers and lenders have sought to pool their statistics to gain valuable and impartial market share insights

The MISC Mortgage Brokers Statistical Data Pool is now the official source of broker loan measurement and has been widely quoted in the media since it was established in 2001. It counts as it major broker-reliant banks, Commonwealth Bank, Westpac, BankWest, Suncorp Metway, Adelaide Bank, Bank of Queensland and now National/HomeSide with significant brokers including Mortgage Choice, Choice Home Loans and LJ Hooker. Since the Pool began, the industry has benefited from a reliable and independent consistent source of industry performance measures. The latest data released from the Pool collection shows that Mortgage Brokers in Australia in the December quarter wrote a record volume of new loans reaching some \$13.3 billion. MISC records show that 467 active mortgage brokers wrote more than 3 loans in the quarter throughout Australia as the industry consolidated further. This is now the sixth quarter since December 2000 in which MISC has reported a robust growth in the markets total value.



### Selected Profile Highlights of HomeSide Origination Business

Year Commenced	1999
HomeSide Broker Groups	300 Brokers
Broker Network	5,000



#### New Bank Lender Membership

These results emanate from the December quarter 2003 collection of the Mortgage Broking industry co-operative statistical pool derived from leading Bank and Broker Pool Members. It consists of the major and regional Banks, including Westpac, National Bank /Homeside, Commonwealth Bank/Colonial, Suncorp, Bank of Queensland, BankWest and Adelaide Bank, along with national and state concentrated Broker groups including Mortgage Choice, Choice Home Loans LJ Hooker. The Pool was enhanced even more this quarter by the inclusion of the National Bank's Third Party Origination –“Platform HomeSide” - Lending which will enhance the coverage of the pool significantly. HomeSide has a wide third party distribution network, which encompasses other third party introducers, and separated brokers. The HomeSide membership is restricted to broker originated loans only.

The MISC Mortgage Broking Data Pooling Facility, which consists of Australia's leading Brokers and Banks (with high broker dependency), in a cumulative sense, now represents 76% of all broker home loan business written in Australia. The industry collection and unique research method even traces non-pool members' broker loan business, thus ensuring that the combined collection from Broker and Bank Pool Members is sufficient to cover 76% of all broker derived home loans.

#### Latest MISC Pool Market Coverage

Following the December 2003 quarter collection, the facility's results now represent 76% of all Broker generated Home Loan business and as such sets a world precedent for the level of co-operation in an industry previously known for its privacy. Despite the relative infancy of the industry sector with its dynamic nature, this collective research initiative demonstrates a high level of sophistication among the Pool Members, as they collaborate to ensure effective measurement of their industry. Leading industry researcher MISC (Market Intelligence Strategy Centre) understands that no other co-operative, non-regulated, independent, statistical data pooling system developed overseas has managed to win this level of industry support. Via its extensive market coverage, the facility fulfils a long awaited need for reliable statistical measurement of an increasingly influential channel for Housing Loan market distribution.

Please note: Specific individual Pool Member loan business share confidentiality is fully protected by the Pool charter and member contracts.

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### Current Pool Membership

Members include a who's who of the Mortgage Broking industry and their Lenders. The leading Brokers and Bank Lenders, who are inaugural members of the Pool and have driven the initiative, include a wide cross section of Lenders including key banks such as Commonwealth Bank/Colonial, BankWest, Westpac, Suncorp, Bank of Queensland and Adelaide Bank and now HomeSide. From a non-bank perspective, members include leading national and regionally focused Broker groups (eg Franchises, Aggregators and Real Estate Agents) like Mortgage Choice, LJ Hooker, Choice Home Loans.

MISC Mortgage Broking Data Pooling Membership			
Financial Institution	Lender Panel	Approx. No. of Brokers	State Distribution
<b>Banks</b>			
HomeSide (National Bank)	NR	300	National
Adelaide Bank	NR	15	SA
Bank of Queensland	NR	50	National
BankWest	NR	300	National
Commonwealth Bank/Colonial	NR	200	National
Suncorp	NR	150	National
Westpac Banking Corp.	NR	300	National
<b>Mortgage Brokers</b>		<b>Teams Employed</b>	
Choice Home Loans	35	400 +	National
LJ Hooker	4*	68	National
Mortgage Choice	24	462	National

Source: **MISC** (Market Intelligence Strategy Centre) Mortgage Broking Data Pooling Facility/December 2003 Quarter

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### Background to the development of the Facility

This independent (MISC regulated) statistical collection, now in its 13th quarter, is the result of a unique industry initiative of key Brokers and Lenders to 'pool' together their quarterly records of all Broker derived Home Loan settlements on a regular basis through the **MISC** (Market Intelligence Strategy Centre) industry specialist research group. The **MISC** Data Pooling Facility's use of final settlements-only statistics ensures that Pool members gain a **true** reflection of Broker loan business market activity. This contrasts favourably with the use of approvals/submissions data, which is misleading when used for appraisal of market performance due to the volume of loan cancellations.

For further information on this unique service please contact MISC Marketing.

**MISC (Market Intelligence Strategy Centre)**  
Level 4, 14 Collins Street  
Melbourne Vic 3000 Australia

**Telephone: (03) 9654 4266**  
**Facsimile: (03) 9650 7730**  
**email: [media@marketintelligence.com.au](mailto:media@marketintelligence.com.au)**