



Finance Brokers Association
of Australia

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MEMO/FACSIMILE

To: Monica Bourke
Date: 23rd February 2009
From: Maurie Unwin
General Manager.
Fax number: 02 62431211
Subject: Response

FAXED
4.40 PM
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Dear Monica,

Enclosed herewith is a copy of a the FBAA's response to the application for revocation and substitution A91118- interested party consultation.

Kind regards

Maurie

FILE No:
DOC:
MARS/PRISM



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Shane Chisholm
Acting Director
Adjudication Branch
ACCC
GPO Box 3131
CANBERRA ACT 2601

Dear Sir,

Mortgage and Financed Association of Australia (MFAA) application for revocation and substitution A91118-interested party consultation

We refer to the above and thank you for the opportunity to make comment on the above application which we believe that if granted will stand for another 5 years.

The FBAA does not have an issue with the scheme as such, however it appears that from the broking fraternity's perception the implementation of the process is neither equitable, transparent, even handed or for that matter commercial in it's application.

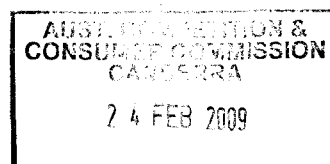
Membership of an industry association we believe to be voluntary and yes we also believe that certain codes of conduct with even handed disciplinary processes should be part of the rules of membership.

Finance and Mortgage broking over the past ten years and more so over the last five years has grown and been the subject of many changes.

As part of the changes without the benefits and rules set by any government body, except for Western Australia where a licensing regime has been in place since the late 1970's, the profession has been policed not only by the industry associations but by the lenders themselves as they are the final arbiter for applications submitted by brokers.

With the impending national regulation of the finance broking profession presently set for July of this year, one should ask why an industry association needs such a process with the eventual policing of the profession to fall into the hands of the proposed regulator ASIC.

Taking this one step further, if the ACCC grants this extension in its present form and ASIC will be the eventual regulator, to which organization, ASIC or the MFAA will a broker member be answerable to.

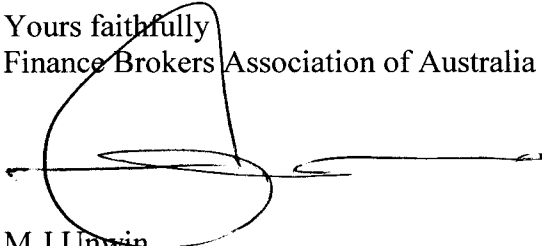


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Bearing in mind that with the impending national regulation of finance brokers we are of the belief that they will not be able to act as finance broker without having Professional Insurance Cover and be a member of an ASIC approved External Disputes Resolution Scheme.

Surely it will be up to ASIC to use their powers to name and shame and suspend, not and industry association.

Yours faithfully
Finance Brokers Association of Australia

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

M.J. Unwin
General Manager