

# Aggregator Reporting



This document outlines Pennley Pty Ltd as trustee for the Pennley Unit Trust trading as Choice Aggregation Services, Aggregator Reporting recommendations proposed by Combined Industry Forum (CIF). CIF was established to respond to proposals outlined in the Australian Securities and Investments Commission's (ASIC) 2016 *Review of Mortgage Broker Remuneration (ASIC Report)* and takes into account the third party recommendations of the Australian Bankers' Association (ABA) 2016/2017 *Retail Banking Remuneration Review (Sedgwick Review)*. Reform 5 outlines public reporting commitments including on Choice Aggregation Services.

## Aggregator Reporting for Paid Settlements for the period of 1 July 2018 – 30 June 2019

### Report 1: Choice Aggregation Services

Lender Name	% Value of Total Paid Settlements 01/07/2018 – 30/06/2019	Lender Name	% Value of Total Paid Settlements 01/07/2018 – 30/06/2019
Adelaide Bank	0.78%	ING Direct	5.52%
AMP	0.89%	Keystart	0.17%
ANZ	11.19%	La Trobe	1.73%
Australian Financial Mortgage	0.08%	Liberty Financial	2.4%
Australian First Mortgage	0.29%	Loan Avenue	0.01%
Auswide Bank Ltd	0.11%	Macquarie	3.76%
Bank First	0.43%	ME Bank	2.72%
Bank of China	0.09%	Mortgage Mart	0.08%
Bank of Melbourne	3.07%	My State	0.67%
Bank SA	2.09%	NAB	12.24%
BankWest	4.07%	NAB NPS and IIA	0.02
Better Choice	0.55%	Pepper Home Loans	1.68%
Beyond Bank	0.38%	Police & Nurses Bank	0.04%
Bluestone Mortgages	0.75%	RBS	0.00%
CBA	15.65%	realestate.com.au Home Loan	0.19%
ChoiceLend	6.79%	Resimac	1.60%
Citibank	1.03%	St George Bank	2.35%
Credit Union SA	0.53%	Suncorp	2.35%
FirstMac	0.88%	Virgin Money	0.65%
Heritage	0.54%	Westpac	11.34%
Homestart Finance	0.44%		
		<b>Total</b>	<b>100%</b>

### Report 2: Choice Aggregation Services

% of Brokers	
Using less than or equal to 3 lenders	36.00%
Using 4 -7 lenders	35.00%
Using 8+ lenders	29.00%

### Report 3: Choice Aggregation Services

Aggregator Weighted Average Commission	
Upfront Commission %	Trail Commission %
0.65%	0.18%

## Appendix

### 1.1.1 Aggregator/Broker Group report 1

Aggregators to publish and provide to ASIC the list of all lenders available on panel and percentage share of business written with each over the previous financial year (1st July – 30th June).

Note that this data is residential lending only. *Note: groups may report on total settlements i.e. Including commercial and asset finance but, in such cases, residential lending to be clearly identified.*

Paid Settlements is the \$ value of settlements actually disbursed by the Lender in relation to business introduced by brokers aligned to the Aggregator/Broker Group in a particular financial year.

The data in all report scenarios relates to the reporting period 1st July 2018 – 30th June 2019.

Choice Aggregation Services			
Lender Name	% Value of Total Paid Settlements 01/07/2018 – 30/06/2019	Lender Name	% Value of Total Paid Settlements 01/07/2018 – 30/06/2019
Adelaide Bank	0.78%	ING Direct	5.52%
AMP	0.89%	Keystart	0.17%
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Beyond Bank	0.38%	Police & Nurses Bank	0.04%
Bluestone Mortgages	0.75%	RBS	0.00%
CBA	15.65%	realestate.com.au Home Loan	0.19%
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Credit Union SA	0.53%	Suncorp	2.35%
FirstMac	0.88%	Virgin Money	0.65%
Heritage	0.54%	Westpac	11.34%
Homestart Finance	0.44%		
		<b>Total</b>	<b>100%</b>

<sup>1</sup> Broker groups have been incorporated in the reporting section to reflect that systems may not have visibility on broker group activity. Inversely, caution needs to be taken that information from a broker group that is also part of an aggregator is not double counted.

## 1.1.2 Aggregator/Broker Group report 2

Aggregators/Broker Group's to publish and provide to ASIC the spread of number of lenders being used by brokers in the group/aggregator over the last financial year. Note: timing aligned to all other public reporting using previous financial year (1st July – 30th June):

% brokers using < than or equal to 3 lenders

% brokers using 4 - 7 lenders

% brokers using 8+ lenders

Lenders to be included where there were paid settlements by the Lender in relation to business introduced by brokers aligned to the Aggregator/Broker Group in the financial year.

Choice Aggregation Services		
% of Brokers		
Using less than or equal to 3 lenders	Using 4 -7 lenders	Using 8+ lenders
36.00%	35.00%	29.00%

## 1.1.3 Aggregator/Broker Group report 3

Aggregators/Broker Groups to publish and provide to ASIC the weighted average commission rate percentage earned in the previous financial year for mortgages. Previous financial year (1st July – 30th June):

Data needed for calculation noting the average commission rate to be split by upfront and trail commission with the weighted average rate based on Paid Settlements.

Lender/ Institution Name	Settlement Amount	Clawback Incurred in that FY	Average Commission Upfront	Average Commission Trail
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Paid Settlements is the \$ value of settlements actually disbursed by the Lender in relation to business introduced by brokers aligned to the Aggregator/Broker Group in a particular financial year.

**Note:** consideration of net of clawback inclusion will be determined following appraisal of its significance in overall calculations.

Choice Aggregation Services	
Weighted Average Upfront Commission rate (%)	Weighted Average Trail Commission rate (%)

### Weighted Average Upfront Commission calculation:

**Aggregator weighted average commission amount:** In the case of the aggregator weighted average commission rate the weightings are provided by each loan value which is multiplied by the commission percentage to provide a commission amount for each loan. The total of all commission amounts is then divided by the total of all loan amounts to provide a weighted average commission rate. It is recommended that the weighted average commission percentage is quoted to 4 decimal places.

Choice Aggregation Services	
Aggregator Weighted Average Commission	
Upfront Commission %	Trail Commission %
0.65%	0.18%

### Aggregator Reporting Definitions

- **Paid Settlements for Aggregator Reporting** - \$ value of residential mortgage settlements disbursed by the Lender in relation to business introduced by brokers aligned to the aggregator in the reporting period

## Glossary of terms

Term	Explanation
Aggregator	The group that holds the direct agreement with a lender i.e. not sub-aggregator. ASIC also further defines an aggregator as: "A business which provides aggregation services to a broker business or broker and with which a lender a direct contractual relationship. It does not include a broker business or broker which does not provide aggregation services, even if there is a direct contractual relationship with the lender. If a lender has a contractual arrangement with an entity for aggregation services and a related party of that entity provides the aggregation services to a broker business or broker, then the two entities are treated as one aggregator"
Broker	A registered individual Credit Representative that is active as at 30 June for the completed reporting period and has been operating as a broker for the 12-month reporting period
Lender	Includes a person who has a servicing agreement with a special purpose funding entity (ASIC definition)
Lenders Available	All lenders whom the aggregator has an active agreement in place with at time of publication
Lenders Used	Based on paid settlements to the broker during the reporting period
Paid Settlements for Aggregator Reporting	\$ value of residential mortgage settlements disbursed by the Lender in relation to business introduced by brokers aligned to the aggregator in the reporting period
Reporting Period	1 July to 30 June of the financial year; data is taken once per annum, not on a rolling annual basis

## FAQs

Question	Answer
What if a broker has been operating less than a 12-month period?	Still required to report, however note to be included advising as such. Note that a new broker includes those with less than a 12-month period with the current broker group.
How often does the reported data have to be updated?	Once per annum, at the conclusion of the financial year
How do I treat off panel lenders?	For aggregator reporting it should include all reported volume from the lenders to the aggregator where there is an active agreement in place. i.e. off panel lenders are not included.