

# Mortgage Ezy bolsters loan book

Mortgage Ezy took another step towards its stated goal of becoming Australia's largest mortgage manager with the acquisition of Great Pacific Finance's \$375m loan book.

Brokers who have originated loans for Great Pacific Finance will keep their trail revenue under the terms of the agreement, with Mortgage Ezy CEO Garry Driscoll promising brokers that the mortgage manager will always look out for the third party channel.

"Ongoing trail revenues inherent to the Great Pacific Introducers would be honoured under the terms of the agreement," Driscoll said. "In the long run our message to all brokers is that through Mortgage Ezy your interests and income will always be secure."

The play for Great Pacific Finance's loan book continues the aggressive expansion of Mortgage Ezy's distribution network that has taken place over the past 12 months. Driscoll said that this

has provided the company with strong growth across all its prime funding alliances.

"We've made it our mission to do things that are really significant and valuable for broker businesses with sharp rates, great service and fair and reasonable commission structures controlled by our broker partners," Driscoll said. "Our business is about partnering with our brokers, not competing with them."

Executive chairman and Mortgage Ezy founder Peter James said the purchase substantiates the company's strong financial position in the market and dramatically bolsters its "already sizeable" portfolio.

"Timing is imperative and while there have been several reasonable purchase opportunities in recent months this was the most tactically significant and sensible one for Mortgage Ezy now," James said. "Tomorrow, however, is always another day."



Garry Driscoll and Peter James



# Mortgage repayments most likely to be missed

One in three Australians has indicated they will pay bills late in the year ahead, with one in four households saying they would be most likely to miss the mortgage payment if they find themselves short. The findings are from the latest Consumer Payment Priorities Study, released by credit reporting agency Dun & Bradstreet.

The study reveals that many Australians are unaware of the consequences of paying their bills late, with 57% of individuals saying they'd be more likely to pay their accounts on time if they knew late payments were listed on their credit report and can negatively impact their credit profile. A payment can currently be listed on an individual's credit record if it is 60 days overdue.

In addition, the study reveals that younger Australians and those in lower income households are more likely to pay their bills late in the year ahead. One in five older Australians (aged 50-64) indicated they will pay at least one bill late - this compares to one in three for the two younger

groups (18-34 and 35-49). Meanwhile, 30% of people in high income households (\$80,000+) said they expect to pay late in the year ahead - this figure jumps to 37% for households earning less than \$80,000.

According to Christine Christian, Dun & Bradstreet's CEO, the bill paying intentions of Australians are cause for concern.

"For credit providers, the fact that one-third of Australians have said they will pay bills late in the year ahead means cash flow pressures will continue, despite the strength of the economic recovery," Christian said. "Interest rates are on the way up and the government stimulus is being wound back. Consequently, credit providers need to keep a close eye on their customers' payment habits if their business is to maximise the opportunities that stem from an economic recovery and prevent the cash flow troubles that are caused by late payers."

The study showed that 40% of people had paid at least one bill late in the past 12 months.

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