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"Mortgage Arrangers" - The Ground Breaking Idea From the Financial Services Authority That Is Changing the Way we Get our Mortgages

It's been just over a year since the FSA unveiled their new ideas on mortgage regulation, and the revolutionary concept of Mortgage Arrangers is proving a runaway success

United Kingdom (PRWEB) February 11, 2006 -- When the Financial Services Authority (FSA) took the wraps off their long awaited restructuring of the way mortgages are sold, the content caused a few sharp intakes of breath as the giants in the industry struggled to get a handle on this new beast in front of them.

However, there is no doubt that one of their revolutionary ideas is proving a rip roaring success. A typical example is <http://www.mortgagearrangers.co.uk/> a relatively new web site that grabbed the opportunity with both hands.

"Mortgage Arrangers" are a new breed of "consumer guides" that were born out of the consultation process, and were introduced as an alternative to the more established "Mortgage Advisors" who to this day still see their role as recommending the correct mortgage product for each individual, as they see it, from the information the borrower provides them with.

A quick flick through the financial employment pages will see job opportunities for "trainee mortgage arrangers" popping up everywhere. Just about every mortgage lender is advertising for them. This represents a major shift in tactical thinking, and even now their customer facing promotions invite the would be borrower to "pop in and have an informal chat with our mortgage arranger"

Alan Reynolds, the originator of the Mortgage Arrangers web site comments "I know how intrusive, embarrassing and uncomfortable it is to put your self in front of a mortgage advisor and answer a multitude of probing questions that even your best friend might feel squeamish about asking. And at the end of it all there's still a long list of possible mortgage products that would suit the clients circumstances, but somehow the advisor has to choose the "most suitable one" and then justify his recommendation. Having played this role I knew it was far from perfect and the client often remained sceptical about the choice, questioning "why not this one" or whats wrong with that one?"

To be honest, once the elimination process has been covered (what can't they have, based on income, deposit, rate type) the actual final recommendation is a bit like eeny meeny miny mo. The FSA demand that the advisors recommendation be justified on paper, recorded and kept on file, but when there are so many options that all fit the bill, how do you pick the "most suitable one" when they are all suitable?

I realised that a far better way would be for the customers to be shown a list of all the lenders and rate types that they qualify for, let them ask as many questions they felt necessary to whittle the choices down, explain the hidden small print and penalty clauses, then let them choose their own mortgage.

This way they know exactly what they've got, there are no mysteries, they know when to review it and what to alter in their individual financial profile if they want a different choice next time. It was obvious that this was not mortgage advice but mortgage information, and the person doing the guiding was not a mortgage advisor but a mortgage arranger. Once the client has made their choice the rest of the process remains the same, paperwork and signatures.

There's one further aspect to this new concept that could prove a real financial lifesaver for the business and people involved in arranging the customers choice of mortgage. If the customer is shown their options and choose their own lender and product, there can be no room for raising a complaint of "mortgage misselling" at a later date, and that in itself could make the ombudsman and the FSA sleep a little easier at night.