

# More Canadians seek mortgage broker's help

**BY MARIO TONEGUZZI, CALGARY HERALD** OCTOBER 28, 2010

Mortgage broker Karen Blomquist with Mortgage Intelligence says the advantages of getting a broker's help have been a well-kept secret.

The percentage of Canadians using mortgage brokers to buy their homes has increased significantly this decade.

The Deloitte report, *Winning Strategies in the Brokered Mortgage Marketplace*, released Wednesday, said that in the 1990s mortgage brokers numbered in the hundreds and were a last resort for borrowers unable to obtain a mortgage directly from a bank or credit union.

"Over the last decade, an increasing number of viable options for borrowers have surfaced," said the report. "In addition to branch-based lenders, borrowers can now consult with the banks' own mobile mortgage specialists as well as independent brokers -- while also conducting their own research online.

"In this changing and information-abundant environment, the mortgage brokerage channel has emerged as a legitimate competitor."

The report said the share of transactions increased from 26 per cent in 2003 to 38 per cent in 2009 as mortgage brokers made inroads, particularly with first-time homebuyers and young Canadians.

"Overall, this channel has evolved from a fragmented 'lender of last resort' network to a legitimate option for prime customers."

Years ago, mortgage brokers were the best-kept secret out there, said Karen Blomquist, a mortgage associate with Mortgage Intelligence in Calgary.

"I think the perception was that we only work with people with really (bad) credit and the perception was also that it cost them money to work with us, because why on earth would we do all this work for nothing? I think there's been a real trend change there. I think people are becoming smarter in terms of what a mortgage broker is and the services we're able to offer consumers, as opposed to just going to the big banks and settling for what it is they're being sold," said Blomquist.

"In my circle, I think a lot more people are calling mortgage brokers now to at least get a quote or at least dip their toe in the water."

Blomquist said young people and first-time homebuyers also use Twitter, Facebook and other social media to find things out and do more research than the older buyer.

"They realize the value in getting a broker who's going to look around and get you the best rate. So perhaps they're more savvy than we think they are," she said. "I would say those people are a big percentage of who uses us because they're on the Internet checking everything out."

Jim Murphy, president and CEO of the Canadian Association of Accredited Mortgage Professionals, said the organization will be releasing its annual report in early November.

"Mortgage broker share overall is about 25 per cent of the market," said Murphy.

"It's higher for first-time buyers. First-time buyers are more likely to use a mortgage broker than those who renew their mortgage.

"(Brokers) have access to different lenders, including banks and credit unions, and they really work on behalf of the customer."

[mtoneguzzi@calgaryherald.com](mailto:mtoneguzzi@calgaryherald.com)

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