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## Renovation Webinar

### Dean Parker & Troy Harris (Active Property Network)

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#### Working with bankers versus mortgage brokers

**Troy Harris:** When it comes to finance, do you recommend working with mortgage brokers or bankers?

**Dean Parker:** I would have to say definitely bankers only for the fact that we've never used a mortgage broker. However, you get to the point where you need...Bankers are almost, and actually I would say right now in the current economic conditions, the number one person in your team without bankers and having a really good relationship with a bank or someone at a bank, you almost can't operate at the moment.

It's...*Finance* has got that difficult that they're just changing things. Like, we've been with National Australia Bank (NAB) for years and one of the things that we did very early on was to interview a series of banks to see what sort of products they offer and we ended up choosing NAB because they had a choice package is what it's called. And essentially what you get with that is a...you get a designated banker and you also get no application fees or bank fees. It's just a once...a fee. Back then, it was about \$399. I'm not sure; Elise takes care of these now but I think it's still around that same annual fee price. But you don't pay any other fees. So we've turned around and went right...So if we bought five homes, we don't have to pay that \$600 application fee every time. There's \$3,000 that we've saved straightaway.

So from that point of view, banks can offer things that brokers possibly can't. But having that relationship with the banker that you can call up and that he knows who you are and...because at the end of the day, they're the ones that are going to be making the decision on whether I give you finance. And at the moment, finance is extremely difficult to get and it's changing all the time.

So you really need to have a good relationship with the person that's going to making a decision on whether they're going to give you money or not, not someone that's with the third parties. 'Cause I mean, we'd go down and we'd take our...that very first banker that we had, we'd go and take her out to lunch and we'd take her down photos of the projects we were doing and we'd just show her what we've done and how much equity we were able to create. And we really built her confidence up early on.

And then obviously, as we've progressed, I always am sending photos to the banker that we've got. The minute we sign a contract, I let him know that yeah, we sold this one and we got more than in valuation. And you're continually just working that relationship to make sure that you can get finance in the future and that it's not a problem.

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And it has served us well because at the moment where it's extremely tough, we've still got...we've got it good at the moment but I did get a phone call from our bank the other day saying that there are going to be some changes coming up. So at least I've heard directly from him and I know upfront what's going to be happening. But yeah look, definitely, definitely, I'd say, try and get a good relationship with a banker and a banker that you can have as your own personal banker or a business banker which is what we've got now.