

**Annexure 1 – Instances that may fall within the scope of misconduct or conduct which falls below community standards and expectations**

| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|--|---|
| 1        | <p><b>Nature</b></p> <p>Brokers providing non-genuine financial verification documents in support of their client's loan applications to lenders.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2008 and 2018. 55 instances were identified, which are attributable to 55 individual brokers.</p> <p><b>Effect</b></p> <p>Clients were able to obtain loans for amounts in excess of what they would have obtained had accurate information been provided.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>Yes, ASIC is currently undertaking a survey and analysis into the incidence of mortgage application fraud in Australia. AFG is actively engaging with ASIC in relation to this work.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>No.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>Generally, there is no loss or claim of loss by the affected consumer or lender. Identified loans are monitored by the relevant lender for distress or claims of hardship. AFG does not generally have access to information about these loans unless contacted by the lender.</p> <p>However, AFG typically takes the following steps in such situations in order to remedy the consequences as far as is possible:</p> <ul style="list-style-type: none"> <li>- Where appropriate, following termination, AFG retains the trail commission of the relevant broker in its entirety, under the terms of AFG's member agreement. This facilitates the</li> </ul> |

| Item no. | Nature, extent and effect | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|---------------------------|---|
|          |                           | <p>ability of AFG to remediate any future losses which may result from the consequence of the conduct.</p> <ul style="list-style-type: none"> <li>- Monthly communication to lenders of brokers terminated in response to the identified conduct, in order to forewarn other lenders, should the same application be lodged at another financial institution.</li> </ul> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG terminated 53 brokers as a consequence of the conduct identified over the prescribed period. Out of the 2 remaining brokers, 1 was terminated by the broker's organisation with the other 1 broker provided training and additional monitoring. In the latter case, termination did not occur due to there not being sufficient evidence of broker involvement in the creation of the non-genuine document concerned.</p> <p>More generally, AFG has established a Consequence Management Framework and a process for investigating complaints and allegations of possible misconduct. The action taken by AFG varies depending on the strength of evidence available and the type and extent of the allegations. Actions range from termination of contractual arrangements with the relevant broker, suspension, increased supervision (generally through more frequent audit reviews), to mandatory training or changes to processes.</p> <p>AFG also makes available training materials to educate its affiliated brokers about their legal obligations, including responsible lending requirements.</p> |

| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|--|--|
| 2        | <p><b>Nature</b></p> <p>Brokers or AFG staff members making administrative errors in their dealings with consumers, lenders and other parties.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2013 and 2016. 2 individual brokers and 2 AFG staff members. This impacted 5 individual clients.</p> <p><b>Effect</b></p> <p>Clients incurred charges beyond those originally quoted. Additionally, clients were inconvenienced in instances where loan settlement was delayed.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. During times of high activity and market demand for services, administrative errors may be made which have an adverse impact on consumers. A contributing factor to this situation is the complexity of, and differences between, lender application processes.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG paid compensation of \$7,932 to remedy the consequences of the conduct identified.</p> <p>More generally, in addition to compensation, AFG’s usual practice is to investigate the complaint which may result in AFG making further requests of the relevant broker in order to repair the relationship with the affected client.</p> <p>Resultant remedies have historically included the refund of any fees charged for work performed (where this has been agreed by the broker and client) or an acknowledgement of the inconvenience caused to the customer.</p> |

| Item no. | Nature, extent and effect | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---------------------------|--|
|          |                           | <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has implemented a compliance audit process for its Credit Representatives. This process reviews the overall quality of the applications submitted by brokers and is used as the basis for discussions with brokers about ways to improve processes.</p> <p>In addition, AFG has built a number of preventative checks within its IT systems to automate as far as is reasonably practical, the loan lodgement process.</p> |

| Item no. | Nature, extent and effect   | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---|--|
| 3        | <p><b>Nature</b></p> <p>Brokers or AFG staff members breaching the privacy of clients.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2013 and 2018. 8 instances were identified, which are attributable to 3 individual brokers and 5 AFG employees. This impacted 10 individual clients.</p> <p><b>Effect</b></p> <p>The effect of the conduct encompassed:</p> <ul style="list-style-type: none"> <li>- Consumers receiving marketing and promotional material or contact, when they had not agreed to receive marketing material or contact.</li> <li>- Consumer personal information (eg contact information) disclosed to third parties without consent to do so.</li> </ul> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. AFG considers that the conduct results primarily from the practice of marketing and a broader desire of broker groups to maximise their business reach.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>Generally, the consequences of these examples have been limited to inconvenience or annoyance with no pecuniary consequence or risk of serious harm. In these circumstances, AFG generally apologises for the inconvenience and takes prompt steps to action the consumer's request not to receive any further marketing material.</p> <p>AFG is not aware of any circumstances where a consumer is likely to have suffered serious harm and has put in place a Data Breach Response Plan to deal with such circumstances should they arise. That plan has the following features:</p> <ul style="list-style-type: none"> <li>- Containment – AFG immediately takes step to contain the breach.</li> </ul> |

| Item no. | Nature, extent and effect | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---------------------------|--|
|          |                           | <ul style="list-style-type: none"> <li>- Risk Assessment – AFG undertakes a risk assessment of the relevant information, determining the likely risk of harm to the client.</li> <li>- Notification – As dependent upon the results of the risk assessment, AFG will notify impacted customers and the Office of the Australian Information Commissioner (OAIC) in accordance with the Mandatory Data Breach Notification Scheme.</li> </ul> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has a Privacy Compliance Framework which includes the following key controls:</p> <ul style="list-style-type: none"> <li>- Customer Privacy Consent Form;</li> <li>- Privacy Policy;</li> <li>- An intelligent marketing system, which captures the “opt-in” or “opt-out” status of registered customers;</li> <li>- Compliance monitoring of AFG credit representative’s adherence to Privacy requirements.</li> </ul> |

| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|--|--|
| 4        | <p><b>Nature</b></p> <p>Brokers failing to comply with specific obligations contained within the <i>National Consumer &amp; Credit Protection Act 2009</i> (the <b>NCCP Act</b>).</p> <p><b>Extent</b></p> <p>This conduct occurred between 2011 and 2017. 13 instances were identified, which are attributable to 12 individual brokers.</p> <p><b>Effect</b></p> <p>Effects varied but included that some consumers did not receive required documentation (such as Credit Guides, Credit Proposals or Preliminary Credit Assessments) prior to a product being recommended to or a loan application being made.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>Yes. The digitisation of the Financial Services industry has resulted in both a consumer as well as a broker desire to conduct commerce electronically. In certain circumstances, this practice of transacting business electronically can contribute to technical breaches of the NCCP Act.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. In certain circumstances, the conduct may arise as a result of individual broker experience levels and insufficient training.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG has a follow-up process in place, which forms part of its Compliance Monitoring process. Where required documentation has not been provided, AFG follows up with the relevant broker to ensure that this information is in fact provided to the client.</p> <p>AFG's ability to do this at the point in time at which the conduct has occurred, depends upon the stage of the relevant loan application. Remediation is possible in some instances, as AFG's compliance sampling methods extend to the selection of loan applications at various stages of progress – and is not limited to pure hindsight review of settled loans.</p> |

| Item no. | Nature, extent and effect | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---------------------------|--|
|          |                           | <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has terminated 4 brokers as a consequence of the conduct identified over the prescribed period for the more serious of matters. The remaining 8 received specific training to prevent a recurrence.</p> <p>AFG has developed a learning portal for its affiliated broker network. This portal contains information to assist brokers to meet their NCCP Act compliance requirements. In addition, AFG provides periodic training to its brokers and additional training in response identified deficiencies.</p> |



| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|--|---|
| 5        | <p><b>Nature</b></p> <p>Brokers failing to comply with the general obligations contained within the <i>National Consumer &amp; Credit Protection Act 2009 (NCCP Act)</i>. Examples include brokers sharing lender applications portal log in details and brokers failing to take reasonable steps to verify income and expenditure information.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2009 and 2017. 22 instances were identified, which are attributable to 22 individual brokers.</p> <p><b>Effect</b></p> <p>Effects varied, but include that clients were given loans based on income and expenditure information that may not have been accurate or complete.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>No.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG paid compensation of \$167,000.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG provides training to brokers with regards to verification of income and expenditure information and AFG's conduct expectations.</p> <p>AFG has established a Consequence Management Framework and a process for investigating complaints and allegations of possible misconduct. The action taken by AFG varies depending on the strength of evidence available and the type and extent of the allegations. Actions range from termination of contractual arrangements with the relevant broker, suspension, increased</p> |

| <b>Item no.</b> | <b>Nature, extent and effect</b> | <b>Other inquiries, culture and governance practices and steps to remedy and prevent misconduct</b>  |
|-----------------|----------------------------------|--|
|                 |                                  | <p>supervision (generally through more frequent audit reviews), to mandatory training or changes to processes.</p> <p>AFG also makes available training materials to educate its affiliated brokers about their legal obligations, including responsible lending requirements and the obligation to act honestly. AFG has also terminated 9 brokers in order to remedy the consequences of this conduct observed over the prescribed period of time.</p> |

| Item no. | Nature, extent and effect   | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---|--|
| 6        | <p><b>Nature</b></p> <p>Brokers creating non-genuine lender approval letters.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2011 and 2018. 9 instances were identified, which are attributable to 7 individual brokers.</p> <p><b>Effect</b></p> <p>The effect of the conduct encompassed:</p> <ul style="list-style-type: none"> <li>- Consumer loss of contract of sale deposits.</li> <li>- Consumer loss of a home or investment purchase opportunity.</li> <li>- Settlement and time delays for the consumer.</li> </ul> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. AFG has observed that the conduct may arise in instances where client “pressure” is applied to mortgage brokers to confirm that lender pre-approval / approval has been obtained. This may occur where consumers are operating within a time-critical buy and sell circumstance.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG has paid a total of \$76,250 to affected consumers.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has terminated 6 of the 7 individual brokers identified within this category.</p> |

| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|--|---|
| 7        | <p><b>Nature</b></p> <p>Broker conduct which causes a delay in loan settlement.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2012 and 2017. 8 instances were identified, which are attributable to 5 individual brokers, 2 solicitors and 1 AFG employee.</p> <p><b>Effect</b></p> <p>The effect of the conduct is increased costs to the consumer, resulting from a changed settlement date. Such costs may be constituted by additional lender fees, as well as interest costs.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. AFG considers that such conduct can arise where a broker leaves their employment, resulting in any loans in progress to become delayed while a new broker is assigned. The conduct can also result where additional lender requirements for particular applications are not communicated by the broker to the client in a timely fashion.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG has paid a total of \$88,960 compensation to affected consumers</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has terminated 2 brokers. In addition, AFG has conducted training of the remaining 3 brokers and has correspondingly updated its systems and procedures to prevent a reoccurrence where possible.</p> |

| Item no. | Nature, extent and effect   | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---|--|
| 8        | <p><b>Nature</b></p> <p>Failure of brokers to meet minimum training requirements.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2012 and 2018. 7 instances were identified, which are attributable to a number of individual brokers.</p> <p><b>Effect</b></p> <p>Consumers could theoretically receive services from a broker who had not completed all required training (although this did not occur in practice).</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>Yes, the industry body “MFAA” is undertaking a review of the education requirements within the mortgage broking profession.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>Yes. Like many parallel professions and industries, it is sometimes the case that annual “CPD” requirements may not be addressed in a timely manner.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>No.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>Due to the way in which AFG administers system access, there is a hard control which prevents the provision of services to clients by brokers who have not met the minimum training requirement. Hence, no remedial steps to rectify the conduct from a client perspective were required.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has taken steps to remove the ability of its credit representatives to continue operating in instances where a training deficiency exists. If minimum requirements are not met on an annual basis, then relevant brokers are terminated.</p> |

| Item no. | Nature, extent and effect   | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|---|---|
| 9        | <p><b>Nature</b></p> <p>Insufficient record keeping by AFG's brokers.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2013 and 2017, with 3 conduct concerns noted – attributable to 3 individual brokers.</p> <p><b>Effect</b></p> <p>The effect of the conduct is an inability of AFG and its panel lenders to investigate and undertake reviews of the relevant broker's activity.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. A small number of AFG's longer serving brokers rely on paper-records and in some situations, locating older records has proven to be difficult.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG selects additional loan applications for review by its Compliance team.</p> |

| Item no. | Nature, extent and effect | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|---------------------------|---|
|          |                           | <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has significantly automated and systemised the mortgage broking process. Through AFG's proprietary "FLEX" aggregation system, there are a number of ways in which brokers can save their records electronically.</p> <p>In addition, through AFG's introduction of a separate "Fact Find" system, AFG's broker network are able to collect information electronically from consumers and store all of that information in one place – as is consistent with the recommendations of ASIC Report 493 – "Review of Interest Only Home Loans: Mortgage brokers' inquiries into consumers' requirements and objectives".</p> |

| Item no. | Nature, extent and effect   | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|---|--|
| 10       | <p><b>Nature</b></p> <p>Incorrect information provided by brokers to the consumer.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2008 and 2018. 10 instances were identified, which are attributable to 10 individual brokers.</p> <p><b>Effect</b></p> <p>The effect of the conduct encompasses inconvenience and confusion of the consumer, as well as (in certain circumstances) financial loss.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>No.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. In instances where a broker or broker group has too many client leads or business opportunities, if resourcing is not adequate, it is possible for details to be confused and incorrect information may be provided to the customer.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG has paid \$83,593 in compensation to affected consumers.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has provided bespoke training to the brokers concerned and in 2 instances, has terminated the relevant broker.</p> |



| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct  |
|----------|--|---|
| 11       | <p><b>Nature</b></p> <p>Broker non-disclosure of pertinent applicant information to a lender.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2009 and 2018. 41 instances were identified, which are attributable to 36 individual brokers.</p> <p><b>Effect</b></p> <p>Clients were able to obtain loans for amounts in excess of what they would have obtained had accurate information been provided.</p> <p>Clients were potentially loaned money which may not have been loaned had all information been disclosed.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>Yes, ASIC is currently undertaking a survey and analysis into the incidence of mortgage application fraud in Australia. AFG is actively engaging with ASIC in relation to this work.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. Inevitably, an individual mortgage broker's own personal circumstances may contribute towards the identified practice.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>AFG has paid \$120,000 in compensation to affected clients. The more general remedial steps described in item number 1 are also relevant and applicable to this conduct.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG has terminated 30 individual brokers. In instances where AFG has not terminated a broker displaying this conduct (for example because the non-disclosure was unintentional or because the evidence did not clearly establish that the broker was at fault), AFG has provided additional training and monitoring.</p> |

| Item no. | Nature, extent and effect  | Other inquiries, culture and governance practices and steps to remedy and prevent misconduct   |
|----------|--|--|
| 12       | <p><b>Nature</b></p> <p>Overstating of applicant income to lenders, by brokers.</p> <p><b>Extent</b></p> <p>This conduct occurred between 2016 and 2017. 3 instances were identified, which are attributable to 3 individual brokers.</p> <p><b>Effect</b></p> <p>Clients were able to obtain loans for amounts in excess of what they would have obtained had accurate information been provided.</p> <p>Clients were potentially loaned money which may not have been loaned had all information been disclosed.</p> | <p><b>Is the conduct the subject of another inquiry, investigations or proceedings [Q.3(a)]</b></p> <p>Yes, ASIC is currently undertaking a survey and analysis into the incidence of mortgage application fraud in Australia. AFG is actively engaging with ASIC in relation to this work.</p> <p><b>Does AFG attribute the conduct to the particular culture or governance practices of AFG [Q.3(b)]</b></p> <p>No.</p> <p><b>Does AFG identify the conduct as being attributable to some broader Industry culture and governance practices [Q.3(c)]</b></p> <p>No.</p> <p><b>Does AFG consider that the conduct results from other practices ([Q.3(d)]</b></p> <p>Yes. Inevitably, an individual mortgage broker's own personal circumstances may contribute towards the identified practice.</p> <p><b>What steps has AFG taken to remedy the consequences [Q.3(e)(i)]</b></p> <p>The more general remedial steps described in item number 1 are relevant and applicable to this conduct.</p> <p><b>What steps has AFG taken to prevent recurrence [Q.3(e)(i)(ii)]</b></p> <p>AFG terminated all 3 individual brokers.</p> |