

# NEWSRELEASE

FOR IMMEDIATE RELEASE: Wednesday 15<sup>th</sup> February 2006

## FMO Develop 'Profit & Risk Analyser' Service

**First Mortgage Options (FMO) the Mortgage Distribution and Support Services Group has today announced the launch of a Mortgage Broker Business Analysis and Risk Assessment Report Service called 'Profit & Risk Analyser'.**

**'Profit & Risk Analyser' is based upon a detailed questionnaire covering all of the activities of a mortgage intermediary's business. A 12 to 20 page report is produced that analyses areas of the current business practices that do not maximise profits from existing services, that miss out on sales/additional profit opportunities and highlight areas where overhead costs may be reduced. It also identifies business practices that may be in breach of FSA regulations.**

FMO are offering this service to both Directly Authorised and Appointed Representative firms free of charge up to 31<sup>st</sup> March 2006. Thereafter, the standard charge of £600, which still represents fantastic value, will apply for any firm using this service.

David Espin FMO's Compliance and Training Director said "We initially developed this system for the mortgage intermediaries who use our compliance support services to assist us in assessing the Mortgage and GI business's exposure to 'Risk Management' issues and 'Possible', 'Probable' and 'Actual' breaches of FSA regulations. In trials of the service during late last year, the results were quite astonishing. Once the marketing department realised the potential of the system it was enhanced to analyse the whole business and produce reports which also identify opportunities to increase profits from existing levels of business, and from new product and service that can and in most cases should, from a best advice perspective, be offered. The report also analyses areas of business where overheads can be reduced. We personally review and sign off each section of the report to ensure that we have accurately assessed the results produced".

Alan Hill FMO's Group Managing Director added "The system was developed last year and we piloted it during November and December using about a dozen or so mortgage brokers (both Directly Authorised and other Networks AR's) and a couple of IFAs all previously unknown to us. We showed potential annual profit increases of between £25,000 (for a single adviser firm) and £110,000 based on existing levels of business. We found that firms could increase profit by a further 20% to 35% by the introduction of additional products and services, without a significant increase in overheads. In all but one report produced we were able to demonstrate a substantial reduction in overheads. However, the most significant statistic, with potentially the biggest impact, was that we identified a minimum of 9 (max of 12) possible or probable FSA regulatory breaches and between 1 and 3 **actual breaches**, any of which could have serious repercussions from the FSA. The failings identified related to the sales process, 'supervision' & monitoring and training & competence procedures".

A detailed description of this service and a comprehensive list of all the FMO products and services are available from FMO's web-site on [www.firstmortgageoptions.com](http://www.firstmortgageoptions.com) where over 200 products and services can now be accessed by independent firms and AR's.

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[www.firstmortgageoptions.com](http://www.firstmortgageoptions.com)

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## Note to Editors

Cheshire-based, First Mortgage Options is a specialist mortgage distribution and support services company, providing an extensive range of services to IFAs and mortgage intermediaries. These include compliance support services, packaging services for a panel of 12 (mainly sub-prime) lenders and a direct submission panel (FMO Mortgage Club) with over 30 lenders. FMO provide secured and unsecured loans from a panel of 10 lenders. First Mortgage Options provides a specially modified 'white-labelled' version of Trigold called Optimiser that fully integrates with CETA for general insurance illustrations. Non-regulated life is available via links to the FMO website at [www.firstmortgageoptions.com](http://www.firstmortgageoptions.com). First Mortgage Options also provides a flourishing commercial lending facility via subsidiary, First4Business Finance providing commercial mortgages from a panel of 19 lenders.

First Mortgage Options also provides an Appointed Representative Network facility via its sister company Your Mortgage Options for mortgage brokers to gain experience and confidence to apply to the FSA for Direct Authorisation.

During 2005 FMO as a group were responsible for handling over £0.4 Billion of mortgages and loans, and over £250,000 of commission generated via Protection and General Insurance products.

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