**Brokers and borrowers:**

Because the mortgage market is vast, and because many different mortgage lenders offer many different types of mortgage products, there is a bustling market for mortgage consultants who aim to help prospective borrowers find the right mortgage for their specific needs. These consultants are commonly referred to as brokers and/or mortgage brokers.

Brokers typically have detailed knowledge about the vast mortgage market and they specialize in pairing a prospective borrower with a mortgage product capable of meeting their specific needs.

Because of this, brokers play a very integral part in the mortgage market, and they often control much of the prospective consumer base for the whole market. As a result, some lenders, known as wholesale lenders, advertise their mortgage products through both retail (direct to consumer - or - direct lenders) and/or wholesale (direct to broker) channels. Typically, wholesale channels will have more favorable costs and terms, designed for mortgage brokers to be able to charge for their services while remaining competitive in the overall market, and retail channels being managed in a similar manner, but with their own employees acting in a similar manner to brokers in terms of their direct involvement with the borrower.

The wholesale mortgage market is extremely important to lenders as they depend on the consumer base largely influenced by them. Some lenders offer their mortgage products to mortgage brokers first and foremost, and make efforts to circumvent the retail market all-together.

Ultimately, it is very important to make a distinction between who is applying for a mortgage. Is it a broker working on behalf of a prospective borrower, or is it the actual borrower working on their own behalf?

If it is a broker, a lender must work to offer them a mortgage designed for them to be able to charge money on top of the transaction and/or get paid by the lender directly. Similarly, they just expect to work more closely with the broker, on behalf of the borrower, than with the borrower directly.

If it is a borrower directly, the lender must work to manage all borrower expectations in a hands-on manner. Similarly, they must offer a mortgage designed for a borrower directly, and are free to charge what would typically be charged by a broker for themselves.