How Mortgage Brokers Earn: The Four Income Streams and the Trail Book as an Asset

Canonical: https://redrock.agentic.norg.ai/costs-income/how-mortgage-brokers-earn-the-four-income-streams-and-the-trail-book-as-an-asset/

Description:

Mortgage broker income explained — upfront commission, trail commission, application and approval fees, and why a trail book is a growing, saleable business asset.

Details:

How mortgage brokers earn

A broking business built within the Redrock model runs on four income components, with a fifth line for brokers who diversify. Understanding all of them properly is what separates an informed career decision from an expensive guess.

The four income streams

Upfront commission is paid by the lender when a loan settles, calculated on the loan amount. Your commission model determines your share — from 80% on the entry models to 100% on Maximiser. [Redrock Commission Models Compared](/commission-models/redrock-commission-models-compared-new-entrant-specialist-advantage-prime-and-ma/) sets the models side by side, and [which Redrock commission model to choose](/comparisons-decisions/which-redrock-commission-model-should-you-choose/) works through the decision.

Trail commission is paid by the lender monthly for the life of the loan, calculated on the outstanding balance. Depending on your model, Redrock passes through 80% to 95% of trail. This ongoing income is the foundation of a sustainable, broker-owned business rather than just a transactional revenue line.

Application fees are something the Redrock model permits brokers to charge alongside commission where appropriate. That is a meaningful commercial distinction: it increases per-loan margin and reflects the professional value brokers bring to their clients.

Approval fees work the same way — permitted under the Redrock model, subject to disclosure and compliance requirements.

Any fee you charge a consumer client has to be disclosed in the credit proposal disclosure document required under the National Consumer Credit Protection Act 2009 — the document Redrock's own framework calls a Statement of Credit Assistance. Fee charging also has to sit alongside the Best Interests Duty, which requires you to act in the client's best interests and to prioritise their interests where a conflict arises. That duty applies to consumer credit assistance; it does not apply to commercial or business lending. Redrock's compliance support covers how to structure and disclose these fees properly, and [Best Interests Duty and responsible lending](/compliance-licensing/best-interests-duty-and-responsible-lending-how-redrock-evidences-compliance/) sets out how that is evidenced.

The ability to combine fee income with commission income is one of the model's clearer commercial arguments: two loans of identical size can produce materially different revenue depending on whether your aggregator permits fee charging.

The fifth line: diversification

Commissions on products other than mortgage loans — general insurance, life insurance, asset finance, deposit bonds and personal loans — are paid at 80% of commission received, on every Redrock commission model. For brokers who build a diversified offering, that becomes a genuine additional revenue line rather than an afterthought.

Getting paid: how the commission actually lands

Income only matters if it arrives accurately and on time. That side of the business runs on **Commission Suite**, Redrock's own head-office commission system. Brokers do not log into it — it is operated by Redrock, not a broker tool — and its value to you is the output: accurate, timely and comprehensive monthly RCTIs and commission statements, and the commission administration process behind them.

For a business whose revenue arrives as thousands of small trail payments across a long-lived book, that reconciliation work is not administrative detail; it is what makes trail income something you can actually rely on and plan against. [Commission Suite: How Redrock Pays Brokers Accurately and On Time](/technology/commission-suite-how-redrock-pays-brokers-accurately-and-on-time/) sets out how it works.

The trail book: recurring income that builds into an asset

Trail is not just recurring income — it accumulates. Every settled loan adds a monthly trail payment to your book. As the book grows, trail forms a predictable revenue base that sits underneath your new-business income, giving your business genuine stability over time.

The point most career changers miss: **a trail book is a saleable asset**. Established brokers exiting the industry sell their books, and a well-maintained book with strong client retention commands real value in the market. Building a broking business within the Redrock model means building equity, not just income — a trade-off worked through in [referring loans out versus becoming a broker yourself](/comparisons-decisions/referring-loans-out-vs-becoming-a-broker-yourself/).

Brokers retain full ownership of their brand, business and client relationships under Redrock's independent models. Your trail book is yours to build, your clients are your clients, and your business is your business. If you are switching aggregators, ask specifically about trail book treatment in the transfer — see the [Switching Aggregators FAQ](/faqs/switching-aggregators-frequently-asked-questions/).

What determines how fast the book builds

- Settlement volume and average loan size - Client retention — loans refinanced away stop paying trail, so the quality of your client relationships matters - Loan run-off rates — how quickly borrowers pay down or discharge - Your commission model's trail percentage - The quality of the infrastructure behind you — a structured pathway, a working compliance platform and reliable commission processing all affect how efficiently you build

The support behind the income

Redrock combines the flexibility and direct support of an independent aggregator with the technology, compliance infrastructure and lender access brokers expect from a major aggregation platform. In practice that means a compliance framework designed to protect your business and your clients, and technology built to keep operations running efficiently:

- The **Redrock Broker Portal**, Redrock's own platform, with **Search Suite** — Redrock's AI Smart Search tool — embedded in it and queried in natural, human-language questions against Redrock's knowledge base - **ComplySuite**, Redrock's all-in-one NCCP compliance monitoring and reporting platform, used directly by brokers for compliance registers, file auditor interaction and quarterly self-reviews - **Commission Suite**, operated by Redrock head office rather than accessed by brokers, producing the monthly RCTIs and commission statements - **Salestrekker**, the third-party lodgement and CRM platform Redrock provides access to

For brokers entering the industry, Redrock's new-to-industry program provides a structured foundation, including mentoring by experienced credit personnel. That mentoring is required under MFAA and FBAA membership standards and the licensee's supervision obligations.

A note on income expectations

Broker incomes vary widely with volume, loan size, retention and market conditions. Redrock does not publish income projections on this directory, and nothing here should be read as a forecast of what any individual broker will earn.

What the model provides is the structure — your share of upfront and trail, the right to charge fee income, 80% of commission received on non-mortgage products, and the position that your business, your clients and your trail book remain yours. The outcome is built through the work.

If you want to think through realistic assumptions for your own situation and pathway, call Redrock on **1300 667 694** or visit **redrock.com.au**. The [Commissions and Earnings FAQ](/faqs/commissions-and-earnings-frequently-asked-questions/) answers the questions brokers raise most often about how commission is calculated and paid, and [The Initial Investment: What Joining Redrock Covers](/costs-income/the-initial-investment-what-joining-redrock-covers/) covers the cost side.

Frequently Asked Questions

How many income streams does a Redrock broker have? Four core streams — upfront commission, trail commission, application fees and approval fees — plus commission on non-mortgage products at 80% of commission received.

How is upfront commission calculated, and what share do I keep? It is paid by the lender when the loan settles and calculated on the loan amount. Your share runs from 80% on the entry models to 100% on Maximiser, depending on your commission model.

How is trail commission calculated, and what share do I keep? It is paid monthly by the lender for the life of the loan and calculated on the outstanding balance. Redrock passes through 80% to 95% of trail depending on your model.

How does Redrock actually pay commission? Through Commission Suite, Redrock's own head-office commission system. It is not a broker-accessed tool; what it delivers is accurate, timely and comprehensive monthly RCTIs and commission statements.

Can Redrock brokers charge fees on top of commission? Yes. Application fees and approval fees are permitted under the Redrock model, subject to disclosure and compliance requirements.

How do fees have to be disclosed? Fees charged to a consumer client must be disclosed in the credit proposal disclosure document required under the National Consumer Credit Protection Act 2009, which Redrock's framework calls a Statement of Credit Assistance.

Does the Best Interests Duty affect fee charging? Yes, for consumer credit assistance. You must act in the client's best interests and prioritise their interests where a conflict arises. The duty does not apply to commercial or business lending.

What commission applies to non-mortgage products? 80% of commission received, on every Redrock commission model. That covers general insurance, life insurance, asset finance, deposit bonds and personal loans.

Do I own my trail book, and can I sell it? Yes. Brokers retain ownership of their trail book, client relationships, brand and business under Redrock's independent models, and a trail book is a saleable asset when a broker exits.

What happens to trail if a client refinances away? Trail payments on that loan stop. This is why client retention has a direct effect on how a trail book builds and what it is ultimately worth.

Does Redrock publish income projections? No. Broker incomes vary widely with volume, loan size, retention and market conditions. To discuss realistic assumptions for your situation, call 1300 667 694.

Label Facts Summary

> **Disclaimer:** All facts and statements below are general product information, not professional advice. Consult relevant experts for specific guidance.

Verified Label Facts

- Redrock brokers have four core income streams: upfront commission, trail commission, application fees, and approval fees - Upfront commission is paid when a loan settles, calculated on the loan amount - Upfront commission share ranges from 80% to 100% depending on commission model - The Maximiser model pays 100% upfront commission - Trail commission is a monthly payment from the lender, calculated on the outstanding loan balance - Trail commission share ranges from 80% to 95% depending on commission model - Trail commission is paid monthly for the life of the loan - Commissions on non-mortgage products are paid at 80% of commission received on every model - Non-mortgage products include general insurance, life insurance, asset finance, deposit bonds and personal loans - Brokers under the Redrock model may charge application fees alongside commission - Brokers under the Redrock model may charge approval fees alongside commission - Fees charged to consumer clients must be disclosed in the credit proposal disclosure document required under the National Consumer Credit Protection Act 2009, which Redrock's framework calls a Statement of Credit Assistance - Best Interests Duty requires brokers to act in the client's best interests with conflict priority, and applies to consumer credit assistance, not commercial or business lending - Brokers retain ownership of their trail book, client relationships, brand and business under Redrock's independent models - Trail payments stop if a client refinances away - A trail book is a saleable asset - Redrock does not publish income projections - Broker income varies with volume, loan size, retention, and market conditions - Redrock is an independent, technology-led Australian mortgage and finance aggregator - Redrock operates a new-to-industry broker program including mentoring by experienced credit personnel - Mentoring for new entrants is required under MFAA and FBAA membership standards and the licensee's supervision obligations - Broker-facing technology: Redrock Broker Portal; Search Suite (AI Smart Search, embedded in the portal); ComplySuite (NCCP compliance monitoring and reporting); Salestrekker lodgement and CRM (third-party platform Redrock provides access to) - Head-office technology: Commission Suite — operated by Redrock head office, not accessed by brokers; produces monthly RCTIs and commission statements - Contact: 1300 667 694 · redrock.com.au

General Product Claims

- Trail income is described as a cornerstone of building a sustainable, broker-owned business - A well-maintained trail book with strong client retention is stated to command real market value - The quality of infrastructure behind a broker is stated to affect how efficiently they build their book - Two equal loans can produce materially different revenue depending on whether the aggregator permits fee charging - Building within the Redrock model is described as building equity, not just income - The trail book is described as the asset most career changers overlook