

**HEADLINE:** Firstfolio grows as sector consolidates

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Firstfolio is expecting growth of some 35 percent by year-end as it plans to profit from the purge of mortgage brokers triggered by looming regulation and commission cuts. The credit crunch has led to consolidation, with the number of mortgage brokers expected to contract to 15,000 in two years. Banks like National Australia Bank, Westpac Banking Corp and Commonwealth Bank of Australia have either taken stakes in or acquired brokers and aggregators to jack up their mortgage distribution. Chief executive Mark Forsyth at Firstfolio said its wholesale funders (ING and Adelaide Bank) had turned up the funding tap due to an increase in property valuations and recent acquisitions. The mortgage aggregator is bedding down its takeover of three businesses: First Chartered Capital, Loan Services Australia and Xplore Capital. Mr Forsyth said "we could partner with a group like Count Financial or put our brokers through financial planning training". Count Financial has performed robustly in financial planning and is building its stake in Mortgage Choice; Firstfolio sits behind Mortgage Choice and Australia Finance Group in loan book size.  
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**MENTIONS:** Count Financial, Mortgage Choice, National Australia Bank, Westpac, ING Commonwealth Bank