

## Non-Discretionary Commission Model

A credit broker operating under a non-discretionary commission model is a financial intermediary that facilitates loans or credit transactions between borrowers and lenders. In this context, the commission they earn is "non-discretionary", this means the amount they earn is dictated by the lender.

Here's an explanation of the key components:

**Non-Discretionary:** Non-discretionary implies that the broker doesn't have the power to make decisions with respect to the compensation they receive for facilitating the client's transaction.

**Commission Model:** The broker earns compensation in the form of commissions for successfully matching borrowers with lenders. This compensation is typically a percentage of the loan amount or a flat fee dictated by the lender. Importantly, this commission is earned when a loan is successfully facilitated, and it is paid by the lender.

In summary, a credit broker operating under a non-discretionary commission model acts as an intermediary, connecting borrowers with lenders, with the broker earning a commission based on the successful completion of the loan transactions. This model aligns the broker's interests with the borrower's since they only earn a commission when the borrower finds a suitable credit offer and agrees to proceed with the loan.