System Review Report

MortgageManager commission trail system
Independent technical, data and security review

Attention	Chris Staats	**Date**	29 July 2026
Prepared by	MDS Diversified	**Scope**	Full application, all code, all data, 2003 to 2026

Executive summary

MortgageManager has run the commission trail book every month since November 2003 without missing a single month end. That is a genuine achievement for a system of its age, and the core commission arithmetic remains accurate. We recomputed all 722,369 monthly records and 99.85 percent match to within one cent.

However, the review identified material financial exposures, confirmed software defects, and an absence of modern security controls. The system is well below current market standard and we recommend a managed transition to a modern platform, together with three data corrections that should be actioned now regardless of any upgrade decision.

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Overall rating against the 2026 market standard

Headline findings

- A single mis-keyed loan record of $903 million has generated $13.17 million of fictitious trail, which is 56 percent of all commission the system has ever calculated.
- 53 loans have been configured to distribute 199 percent of the trail received, a cumulative excess of approximately $259,600 since 2006, and this is still occurring monthly.
- $436,145 of trail actually paid by lenders was never matched to a loan, so no commission split or remittance was ever produced for it. Around $25,000 of this arose in the last 12 months.
- The month end engine never retires a loan, so 44 percent of the current book consists of phantom records accruing negative commission, and headline book figures are unusable without cleanup.
- The database has no password, no user accounts, no audit trail, and stores broker and agent bank account details in plain text.

None of these findings are estimates. Every figure in this report was independently verified against the system's own code and data before publication.

How this review was conducted

We performed a complete extraction of the application: all 18 tables with full data, all 92 stored queries, all 22 reports and the complete 5,335 line VBA codebase across 58 modules. The review covered 22 years and 8 months of live records: 4,089 loans, 4,234 customer records, 20 brokers, 41 lenders, 722,369 monthly commission calculations and 254,682 imported lender payment lines from November 2003 to June 2026.

Analysis ran across five independent streams: application code review, numerical verification of the commission engine, data quality audit, security and compliance assessment, and a survey of the 2026 Australian commission software market. Every critical or high severity finding was then re-verified by a second independent pass against the original code and data. One preliminary finding failed that verification and was removed. Everything below survived it.

What is working well

- **Accurate core arithmetic.** The trail calculation itself (prior month balance multiplied by the loan's monthly trail rate) reproduces the stored figures to the cent on 99.85 percent of all records.
- **Payments are anchored to real income.** Commission and remittances are generated only from records that were adjusted against an actual lender payment, which has largely protected outgoing payments from the data problems described below.
- **Clean matching keys.** All 4,089 loan account numbers are unique with no blanks. 95.2 percent of imported lender payment lines match a system record, and where they match, paid versus calculated agrees within one dollar on 98.6 percent of loan months.
- **Disciplined operation.** 272 consecutive month end runs with no gaps and no duplicated loan months. All broker, agent and aggregator payment records carry complete and validly formatted ABN and bank details.
- **Sound design instincts.** The system includes a duplicate import guard, month over month drop-off detection, and a delete and recalculate recovery path.

Financial findings

These four items have direct dollar impact and should be reviewed with your accountant or bookkeeper. All figures come from the system's own records.

CRITICAL A phantom $903 million loan dominates every book figure

Loan record 3554 (funded April 2017) carries a funding amount of $903,207,360, which is almost certainly a data entry error with extra digits. No lender has ever paid a cent on this account, yet the system has accrued $13.17 million of fictitious trail on it, 56 percent of all trail ever calculated, and it adds roughly $108,000 of false commission every month at a 100 percent broker share. Every book level total, valuation figure and top loan report is distorted by a loan that does not exist.

CRITICAL 53 loans distribute 199 percent of trail received

A single broker and agent pairing is configured at 100 percent plus 99 percent on the same 53 loans, continuously since August 2006. As the commission views are coded, $1.99 is disbursed for every $1.00 of trail received on these loans: approximately $259,600 cumulative excess, of which $9,884 arose in 2025 and 2026. It is still occurring each month. If the agent share is intentionally funded from elsewhere, that arrangement should be an explicit rule rather than percentages that sum to 199. The specific broker and loan list is available on request.

HIGH $436,145 of received trail was never allocated

Payments received from lenders and recorded in the import table include $436,145 of trail that has no matching system record. Of that, $343,322 sits against 299 account numbers that do not appear in the loan table at all, so no split, remittance or broker payment was ever produced for that income. This is not historic only: around $25,000 of it accrued in the last 12 months.

HIGH The calculation model never retires a loan

There is no concept of a discharged or closed loan, and the monthly projection has no floor at zero. 228,290 monthly records now carry negative balances, and 1,802 of the 4,089 loans accrue negative commission every current month. In June 2026 the system's netted trail figure was $51,289, while actual lender paid trail was $16,139 across roughly 444 genuinely active accounts. Any report summed over the history mixes real income with fictitious negatives.

Confirmed software defects

Each defect below was located in the application code and confirmed by direct testing against the data. Severity reflects potential dollar or operational impact.

Severity	Defect
Critical	Reassigning a loan's broker on the Edit or Adjust screens silently resets the negotiated commission split to the 80/80 system default. Live broker rates in the book range from 50 to 100 percent, so a broker on 95 percent quietly drops to 80 with no warning.
Critical	The payment acceptance routine runs database updates with warnings disabled and no transaction. If the month end has not yet been calculated, accepted payments update zero rows and are silently lost. The main calculation's error handler is switched off in code.
High	A missing balance in a lender file is converted to $1.00 by a faulty default. 1,484 of these fabricated one dollar balances were accepted as actual, which suppresses all future trail on those loans.
High	On each loan's first month end record, the agent's percentages are written into the aggregator's columns (a copy and paste error). Currently dormant because no live loan uses an aggregator; incorrect the day one does.
High	Selecting a broker who has a manager on the Adjust screen reads from an already closed recordset and crashes with an unhandled error, leaving manager splits unpopulated.
Medium	The remittance email routine keeps no record of what was sent, and stops silently partway through if any single send fails, so remaining recipients simply do not receive their advice.
Medium	The payment review flag is unused: all 254,682 imported payment lines across 22 years are marked as never accepted, so there is no in-system record of which payments were verified.
Medium	The hand written leap year rule is mathematically wrong (it treats years divisible by 1,000 as the exception rather than 100/400), and percentage values pass through integer variables that discard decimal places.
Low	Assorted: dropdowns that display a person's first name twice, exports hardcoded to the C: drive root, two obsolete full screen modules still in the application, and a brittle screen scraping routine feeding the customer master.

Security and compliance

Security rating: **1 / 10**. The application predates modern expectations, but the gap is now a legal and commercial exposure rather than a technical preference.

- **No password and no encryption.** Our review opened and fully extracted the file with freely available tools in seconds, with no credentials. Any person who obtains a copy of the file obtains everything in it.
- **Bank details in plain text.** Broker and agent BSB and account numbers are stored unprotected.
- **No user accounts, roles or audit trail.** Anyone who opens the file is effectively a full administrator and can alter any commission percentage or delete history without any record of who changed what. This is both a fraud exposure and a gap against Australian Privacy Principle 11 (security of personal information).
- **Uncontrolled copies.** The file is shared as a complete database, including by messaging apps, which places full copies of the book on phones and in cloud backups outside your control.
- **Single file risk.** A single corruption event, which Access files are prone to on shared drives, would lose the entire 22 year record. No backup provision exists within the system.
- One mitigating factor: customer contact fields are empty throughout (surnames only), so borrower personal information held is limited to names, account numbers and balances rather than full contact records.

Scorecard

Area	Score /10	Comment
Calculation arithmetic	7	Verified accurate to the cent; the model around it is the problem
Reporting and remittances	5	Functional RCTI cycle, but no send log and no self service
Code quality	3	Consistent structure, but confirmed money handling defects and disabled safeguards
Data quality	3	Clean keys and intact references, polluted by phantom records and duplicates
Architecture	2	Single desktop file, projection model, no loan lifecycle
Market standard 2026	2	Predates every capability now considered baseline
Security and compliance	1	No authentication, encryption or audit capability
Overall	**3**	**A reliable clerk with unreliable books; sound records underneath, ready to migrate**

Where the market is in 2026

The standard feature set for commission processing in Australian broking, evidenced by shipping products, now includes: automated ingestion of lender and aggregator payment files, automatic RCTI generation and distribution, multi layer split hierarchies, clawback tracking, bank reconciliation, broker self service portals, and live trail book valuation. MortgageManager predates all of these.

Realistic paths forward

- **Dedicated industry platforms.** Two Australian products do exactly this job for broker groups running their own splits: Loanworks Commissions (RCTI generation, bank file export, payment reconciliation) and ASSIST Commission by Escientia (automated lender file retrieval, live trail dashboards). Both are priced on application; obtaining demonstrations and quotes from each is the natural first step.
- **Generic commission software.** Products such as QCommission start around US$15 per user per month and handle splits and clawbacks, but have no established Australian broking or RCTI fit, so the tax invoice side would need to be built around them.
- **Custom web application.** An Australian build of this scale typically runs $60,000 to $180,000 up front plus 15 to 20 percent per year in maintenance. At a 20 broker scale we would only recommend this if the split logic genuinely cannot be expressed in the platforms above. On our reading of the rules in the current system, it can be.
- **What we would not recommend** is rebuilding the current design as a web application unchanged. The root problem is the projection model, not Microsoft Access. Whatever replaces this system should be driven by actual lender payments, which your database already holds cleanly for 22 years, rather than simulated loan balances.

The commercial case for acting

Trail books are currently trading at a median multiple of 2.39 times annual trail, with competitive sales reaching roughly 3 times, and published guidance is explicit that provable data quality moves the multiple. Your genuine trail runs at approximately $16,000 per month. On those multiples this book is a meaningful asset, and at present its own records state that its largest loan is $903 million and that nearly half its loans earn negative commission. Cleaning the data and moving it to a system that can evidence run off and clawback history is not administrative tidiness; it is preparation of a seven figure asset for a strong seller's market.

Recommended roadmap

A two phase plan. Keep the current system running while it is made safe and honest, then replace it with a clean modern setup built to go forward. Nothing done in Phase 1 is wasted, it is the foundation Phase 2 is built on.

Phase 1 — Stabilise and keep running (now)

The current system stays in daily use while we make it safe and its numbers trustworthy. Low cost, no disruption.

- Correct or remove the $903 million phantom loan and the 53 loans distributing 199 percent of trail, and reconcile the $436,145 of unmatched lender payments (starting with the $25,000 from the last 12 months).
- Add a password and encryption, set up an encrypted off site backup, and stop sharing the database file over messaging apps.
- Switch the monthly run to calculate off the actual lender reported balance, and add a reconciliation check plus a reviewed and accepted step so every payment is verified.
- Fix the known defects: the broker split resetting to the 80/80 default, the RCTI email send log, and the calendar and rounding bugs.

Outcome: trustworthy numbers and a protected book while it stays in service.

Phase 2 — Build the replacement (when ready)

A clean setup you own, built to go forward rather than to carry 22 years of history. Only the active loans come across.

- **monday.com** as the cockpit: clients, brokers, lenders, the loan pipeline, the monthly commission run, automations and dashboards, all in the tool the team already knows.
- **A small commission engine** that does the monthly trail math and the splits, calculated off the real lender balances (the projection model that caused the phantom data is retired entirely).
- **Xero** for the RCTIs as proper tax invoices and for the books.
- Only the roughly 450 active loans migrate across; the full history is archived read only, kept for reference and for future trail book valuation.
- Optional additions: a branded command centre for the principal, and a trail book valuation view for when the book is sold.

Outcome: off the 2004 database entirely, at market standard, with a book you can prove and sell.

MDS Diversified can assist with any stage of the above: the Phase 1 data corrections and stabilisation, the design and build of the Phase 2 setup, and the migration between them. Full technical working papers behind every figure in this report are available on request.

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