

22 July 09

Inquiry into financial products and services in Australia

In late 2006, my parents did some property investing with the help and recommendation of a broker/planner Kate Thompson from Mortgage Miracles. She encouraged my parents to pay off my small mortgage against my home. I did not wish to take the money as a gift but to pay them back.

I was given a financial strategy but with encouraged trust of the broker/planner were told "don't you worry I will look after you and handle everything" I initially placed a deposit on two blocks of land that were supposed to sell before the titles were due with the profit to pay my parents back. This did not occur and I was told I would have to purchase them. I was instructed to hand over all dealings for taking out loans against my home, which the broker/planner arranged.

At the time the loans were arranged the broker/planner knew that I was on Centrelink benefits with a small earning from some jazz singing that I did as a sole trader with an ABN. Initially the loans were with Mortgage Ezy which loaned the monies through Permanent Custodians. The loans were forcefully refinanced by the broker/planner in mid 2008, as she said there was a crash in America, and made with Homeloans LTD which loaned the monies through Bank of Adelaide.

I have found absolutely NO AVENUE government or private, to help myself sort out or survive the mess the broker/planner left me in as she has left her company Mortgage Miracles and has left many victims that she set up into loans that they could not sustain.

After months of struggling alone for answers, I started a support group for all the Mortgage Miracles victims and found a consumer advocate to lead the group and on her recommendation we requested to our bank to obtain a copy of the "Loan Application form", which we did not even know existed.

The LAF from Mortgage Ezy showed different peoples handwriting that I do not recognise with things scratched out and rewritten and signatures of people I do not know.

The LAFs that I received individually from Homeloans and Bank of Adelaide are completely different and altered.

On the LAF application for Homeloans, I found information I have never seen like, a full time position for 4 years at Burswood Entertainment Complex earning \$160k. A rental income for a property on the same page that shows it as a block of land. Why was this neglected to be checked. Where was the due diligence of the lender?

It also has pages I have never seen with figures on it and a final page with an amount of \$930,296 which I was never shown.

On the Bank of Adelaide copy of the LAF, it has been re-written in with a different handwriting with the found information I have never seen like, a full time position for 4 years at Burswood Entertainment Complex earning \$160k. A rental income for a property on the same page that shows it as a block of land. Again why was this neglected to be checked. Where was the due diligence of the lender?

The page I have never seen with figures on it that have been scratched out and re-written. And it is missing the final page with an amount of \$930,296 which I was never shown.

Regarding this final page, I had a meeting with Bank of Adelaide in September 08 with Gavin Andrews and Scott Allison that flew in from over east. During this meeting they had never seen my copy that I had received from Homeloans and they took a copy. At this meeting I asked them for a copy of their LAF and they refused.

They asked me for my handwriting sample as I stated had never seen the final page with the \$930,296 figure on it. When Bank of Adelaide finally sent me their copy of the LAF it was missing this page that we discussed in the meeting. When I queried them they said it did not exist.

Also in this meeting they saw that I was unwell and asked about my condition, a degenerative muscle disease called Chostochondritis. I had made my broker/planner aware that I was unwell with this disease before she refinanced to Homeloans/BOA.

They admitted that there was fraud on the application but that they were not insured to cover this but if I applied under a medical condition to annul the loans that they would be able to cover this. I have a witness that was with me in the meeting that can attest to them acknowledging fraud on the application but that they asked for me to apply under medical issues.

After I made the application it was used against me as BOA then attempted to take my home on Christmas Eve saying that because "I was unable to work they were therefore unable to negotiate any assistance."

I feel abused for If I had not been ill they could not have asked me to apply utilising my illness and would have had to take responsibility for their fraudulent loan.

I also now know they did not wish to send this LAF as they wished to hide the fraud.

Until the consumer advocate suggested we get a copy of the LAF document, the Bank must have been hoping I would never know the truth. Even though I managed to sell both the blocks of land in a bad economic climate and reduce the debt substantially, Bank of Adelaide would not assist me, as they had info about my illness, and they said I had no income and therefore would not negotiate.

So even with my illness I manage to get a contract and rent out my home, I was then forced to refinance with them as to avoid escalating action and loss of my home. I have recently been sent an email which had this tagged on part.

-----Original Message-----

From: Stephen Fergusson

Sent: Monday, 6 July 2009 11:47 AM

To: Sue Ferguson

Subject: FW: First payment in bank account

Sue,

Please refer to Ms. Coppers below email. This is a file that has been in my care for nearly 12 months and is "Media Sensitive". We refinanced her two remaining ABL loans on 5/6/2009 into one new ABL P&I loan (I/O 5 years). Repayments are to come out of the related offset account and as she has advised, she has done a BPAY payment on Saturday from her CBA account into her Offset account. I am concerned that the instalment will hit the offset account before the BPAY transaction has a chance to go through (Normally takes at least 2 business days).

Can you please verify;

- (i) Has the loan instalment been debited to the Offset account yet and if not, what date is it due?
- (ii) Has the BPAY deposit been credited to the Offset account yet?

Please advise by return email as I want to ensure the loan drawing against the Offset account is not dishonoured if the BPAY credit has not hit the Offset yet.

I have explained the working needs of BPAY payments and the need to allow at least 3 business days, but she is a little short on understanding these things and I need to "Lead her by the nose". Please advise at your earliest convenience.

Fergo.

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I would not need to be "lead by the nose" in struggling to pay the mortgage repayments if the original agreement of annulment via my medical condition had been granted and or the acceptance of annulment which it should have been for fraud.

I am involved in a fraud investigation under the Perth Fraud squad that had put on 10 more detectives to handle the case load. Even though I had no legal or financial support from DOCEP (department of consumer and protection) we were 1 of four families out the 60 or more that made complaints that had endured the process of laying a complaint about Mortgage Miracles, in hope that it may help others that have been caught and have no legal support.

I can state my obvious position of fraud by the broker/planner and due negligence and neglect by the banks for the applications accepted. I started the group after being the first to come forward with what had happened to me on the 6pm news, I was inundated for months with phone calls of distraught people that had no where to go. I am prepared with them to stand alongside me and protest and expose the actions of the banks and not allow them to take our home.

Homeloans labelled my case "Media Sensitive" It's because the truth of my case is that the loan is fraudulent and deserves to be annulled immediately.

If we had not known about the LAF we would have never known of the fraud that took place. The Banks must have been waiting to quietly to let loans that were wrongly accepted with false information to sell up my home and take no

responsibility for dodgy lending practices. The Banks created the financial product and the only financial service they gave us was to hand over the funds with no regard for obviously false information.

I have the burden for myself but I also carry the burden of my parents living in a granny flat whilst they rent our home, with my mother seriously ill in Hospital from the immense strain and the serious financial hardship and immediate pending action of losing our homes. We have falsely placed into loans that are impossible to sustain.

The broker/planner was a certified authorized rep and held a state based broker licence. We understand now that she was paid commission by the lender (or aggregator) as the AFS licence holder. There seems to be some agreement between the bank and the broker/planner, because of the ready acceptance of documents. eg (LAF) with no checking in place to confirm the details on the form. One phone call would have prevented a lot of suffering.

In conclusion:

I want the Parliament to thoroughly investigate the role of the Banks APPROVING loans that are obviously false and not checking that the document was in actual fact tampered with after signing and without your knowledge or consent.

I would like a full inquiry why the broker/planner and Banks were lending money to people on low incomes that had a sole trader ABN that could be abused.

Why the Banks created the LOW DOC LOAN AND NO DOC FINANCIAL PRODUCTS and paid broker/planners under the AFS.

Homeloans and Adelaide Bank should not be trying to profit from a fraud such as this.

I would like the Parliament to force Homeloans/Adelaide Bank to immediately forgive my loan and release my home as security. It also would be prudent to clear my credit history as I have always had a clean history before this.

I would also like to say thank you to those responsible for establishing this inquiry.

Regards

Tarnia Coppers