



Stuart & Cindy Cortis

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Committee Secretary
Parliamentary Joint Committee on Corporations
& Financial Services
P O Box 6100
Parliament House
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To Whom It May Concern

SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE OF CORPORATE & FINANCIAL SERVICES INTO FINANCIAL PRODUCTS & SERVICES IN AUSTRALIA.

My husband and I have been married for over 20 years and we have 5 children – we are proud to be Australian and have worked hard to support our family. My husband has suffered from cancer twice once in 1992 and then again 2005. Both times nearly taking his life.

It was at this time that my husband was nearing completion of almost a year of treatment. He was going through Chemotherapy when we were presented with a Financial Strategy – financial recovery from the cost of lost income and super during my husbands treatment. This would reduce our mortgage & offer a self funded retirement plan.

We relied on advice given as my husband has dyslexia and contracts are difficult for us to understand.

I was not working at the time that the loans application forms where filled out. Our lives were uncertain, there wasn't much money but we survived with help from friends and family.

Financial security was the pitch but the opposite was the reality. If it had not been for a Consumer Advocate telling us to demand the Loan Application Form we would never had known the lies on the form.

We have tried to do the right thing by the banks but we have had massive short falls – we are not in a position to cover the mortgages financially. We realised upon receiving a copy of the contracts that we should never have received financial approval on any of the loan/s as the income figures on the Loan Application Form are incorrect and as a result we are unable to meet the repayments.

The information regarding our income on the ***Low-Doc, No-Doc Loans*** was a lie. In some cases wording was altered and even the deletion of some paragraphs is apparent. **Now the bank is capitalising interest and we are in a no end situation.** In one case after several months in pursuit of our Loan Application Form we received only 3 pages of a 23 page contract. 20 pages short is a little to short would you not agree.

We cannot reduce the principal of the loan by monthly repayments and we were tricked into a loan of interest only for 10 years. So we now discover and large penalties apply if we try to pay lump sums.

There is a Major problem with some of the banking sector-

When we were with ANZ they would call and verify information, but not all banks do the right thing.

The application said that I was earning 110K and so was my husband, I wasn't even working at the time and my husbands income wasn't anywhere near that amount.

When I saw the information on the paperwork I was horrified. Why didn't the bank call to confirm the information?? Didn't alarms bells go off when they saw that we apparently earned the same amount. Do you know of a professional cleaner earning \$110K a year?? If they had of called I would have told them that I wasn't working and tell them the truth. But there was no telephone call or verification of information on the form, wouldn't you think that if the amounts on the loan application form both said 110K that would stand out??

When the banks started calling they were – very sarcastic, rude and nasty. Why do the call NOW when there is little to no money and hound us to pay the mortgage's when we don't have any money. Why didn't they call before this all happened. This wouldn't have happened if they were regulated and it was law to do so.

My husbands health is a major concern for our family – the doctors say to keep him from any unnecessary stress or his cancer could come back – then where would our family be!!

Why can't the banks pay half and we pay half? They or us wouldn't be in this situation if it wasn't for the ***banks their brokers & their dishonesty.***

I'm disappointed at the banking sector & they should have known better. Why are they going to steal the home that we have worked for - for so long.

Can you please help!!

RECOMMENDATION

A new consumer protection agency be set up due to conflict of interest that ASIC has continually looking after financial services and products industry and only meeting with lobby groups from the sector – rarely meeting with consumer advocates, working at grass roots level.

Everyone who has ever been ***sold a Low Doc or No Doc Loan*** on a low income ought to be warned by Parliament to looking at their file and if the Loan Application Form copy is missing then demand a copy of the original from the ***banks/lenders*** – not the planner/adviser or the loan/contract or it be deemed as breached.

It should incur a fine both to the banks and the broker and all others profiting if a loan is issued without a means of being repaid.

Parliament to insist the banks co-operate as the Fraud on the Banks/copy. That there be a royal commission into the banking sector as a matter of URGENCY – over 15 banks are involved.

The inquiry to name and shame the main culprits of Loan Application Fraud.

Commissions be banned and advisers be educated for *two years* (2) before practising on the public. Advisers be paid WAGES to stamp out used-car salesmen approach to selling financial products.

Jail for anyone who touts a financial product or service as safe and secure when the opposite is true. There has to be a way that people like us don't get taken for a ride and lose all they have *because of a lie on a piece of paper*.

There are different names for the No-Doc, Low-Doc Loans – but they are all the same – they all should be banned by Parliament no matter what the name. So that no-one (no family) should go through this nightmare.

There should be a protection against the wolves of this land. (In our case the bank).

Please help us and our family

Stuart & Cindy Cortis