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Submission to the Parliamentary Joint Committee on Corporations and Financial Services

Regarding: The impairment of customer loans

Thank you for the opportunity to assist your inquiries. I present my story to illustrate the way NAB set me up to deliberately to strip me of the assets my husband and I had built up over lifetime of hard work.

I live in Sydney and have been a customer with NAB for 46 years; also, my husband was a manager with NAB decades ago.

This page outlines a brief summary with regard to my Investment Portfolio and how NAB *engineered defaults without due cause*. In-depth details of the default and the Portfolio follow from pages 3-6.

- My Portfolio consisted of 7 properties; a mix of Commercial & Residential.
- My home
- Term Deposit - \$865,000
- Trading Account - \$32,000

During my long association with NAB my Interest payments were never late, I was never in arrears and I was constantly assured by my Relationship Managers that I was a “loyal, *high net worth client*” and “a highly valued client of the NAB.”

Over a lifetime of Banking with NAB, I was always completely trusting of NAB and my Relationship Managers. I had no inkling that any *contractual changes* to my Mortgage Facilities over time - eg *cross collateralising* the loans on my properties and then my home - were deliberately designed to enable the NAB to steal my considerable assets and life savings, my home and my income.

NAB was fully aware that I had signed & witnessed Sale Contracts from my Tenants of 22 years to purchase their Leased properties (identified as 4 & 5 in Property Description.) This would have allowed me to keep my Investments, my Home, Cash in Term Deposit and my Income.

NAB & Price Waterhouse Coopers refused to allow the sale to proceed.

NAB was complicit in Receivers, filthy tactics - which I believe is akin to
*blackmail*¹ of my Tenants - so as to prevent the sale.

Without fear of legal consequence, NAB Engineer Defaults by various means - which I believe may be considered to be *extortion*².

Contractual As evidenced in NAB Contracts: thus

“The Bank may cancel the facility at any time whether or not you are in breach of this Agreement.”²

Verbal To prevent me paying shortfall Interest *on vacant properties (identified as 1, 2 & 3)* from my own funds in Term Deposit, Sydney Credit Manager, froze \$865,000 in Term Deposit and approx. \$32,000 in my Trading Account. When I asked *WHY I can't use my own money to meet the temporary Shortfall* I was told:

“By using your own funds, you are eroding the Bank's security”²

Verbal When I appealed to NAB Conflict Resolution Manager, to halt and overturn unconscionable decision to foreclose; reason to

“There is evidence of mortgage stress”²

“Mortgage Stress” occurred as a direct result of NAB deliberately preventing me from paying my interest due from my own funds. NAB then charged me 15.90% Penalty Interest *for being in default; following which, NAB appointed Receivers Price Waterhouse Coopers.*

In the aftermath of the GFC, I made numerous finance applications which were viewed *with disbelief and scepticism*. No Lender would consider refinancing my Portfolio with NAB Statements emblazoned with **Penalty Interest, 15.90%** and they couldn't *and didn't* believe that NAB would resort to such unscrupulous tactics, *and/or* be complicit to Acts - which I believe could be considered to be blackmail ¹ and extortion ² with regard to refusing to allow Signed, Witnessed Contracts to sell properties to my Tenants of 22 years which would have prevented the entire destruction of my Portfolio, my life's work.

Blackmail ¹ as defined <https://en.wikipedia.org/wiki/Blackmail>

Essentially, it is coercion involving threats for the purposes of taking the person's money or property

Extortion ² as defined - [dictionary.com \(reference.com/browse/extortion\)](https://www.dictionary.com/browse/extortion)

the crime of obtaining money or some other thing of value by the abuse of one's office or authority; “the extortions of usurers.”

PROPERTY PARTICULARS

PROPERTIES 1, 2 & 3 - Corner of Church & Marion Sts. Parramatta.

With a combined Area of 2214 m², the prime location, known as *Auto Alley*, makes these properties equal to the best real estate in Parramatta. They are just 7 mins walk to Parramatta Rail Station, the T-Way Bus Interchange and Westfield; and 5 mins walk to Harris Park Rail and a easy walk to the Ferry.

Following the GFC large tracts of land in the area were vacant and Leasing was restricted by exclusive "Automotive Zoning." Though my properties were vacant, rather than accept unviable demands "for a 10 – 20 year lease" from prospective tenants I elected to leave the properties vacant and wait for Council's release of Parramatta's new DCP & LEP, which according to Council Planners "was due any day."

Changes to *Zoning* would allow for broader land usage - and a wider pool of Tenants - and height increase from 4 to 14 storeys and potentially 'increase the value of the properties by up to \$2,000,000.

Professional Valuers, Real Estate Sales Professionals and my Accountant were unanimous in that 'I should wait for the *Rezoning to be gazetted before making a decision to sell or re-lease.*

NAB were fully aware that I had -

- Signed Contracts of Sale to purchase the properties for \$3,300,000.
- Offer to purchase by _____ for \$3,000,000 or 20 year Lease.
- Offer to purchase by _____

Since I had not missed a single payment of interest and had sufficient income and could meet the *temporary shortfall of Interest from my own funds - \$865,000.00 in Term Deposit with NAB* - I expected that NAB would refinance my loans – at least until such times as the DCP & LEP was gazetted.

Without notice, NAB froze the \$865,000 and froze the funds - \$37,000 - in my Trading Account. Soon after, NAB introduced Penalty Interest of 15.90% which of course, I couldn't fund.

Though Sale Contracts and 10% Deposit held in Trust by Agents, _____ ; together with *additional Offers to Purchase or Lease*, my Income and Term Deposit, were validated, prospective Lenders clearly doubted 'that NAB could / would institute Penalty Interest of 15.90% and deliberately prevent me from paying my mortgage.

As a result, numerous Finance Applications were viewed *with disbelief and scepticism.*

A meeting with Credit Manager _____ Relationship Manager, _____ and another female from NAB was arranged with my son, (*then* a London based Executive with Westpac) and myself.

I put to NAB Managers at the meeting, 'after 46 years of being a loyal customer of NAB and a successful investor, I was aghast that I should be forced into a position of immeasurable hardship and not be able to use my own funds for a *temporary period to pay my mortgages.*'

The female said (by using my own funds) "you are eroding the Bank's security."²

On *that basis*, NAB appointed Receivers,

Their appointment forced me to make a decision to sell properties - 4 & 5.

It was clear to all involved that – the Sale of the Granville properties to my Tenants - was the key to allowing me to keep the other properties in my Portfolio and allow me to remain in my home.

PROPERTIES 4 & 5 - 309-315 Church St Granville.

These properties are 350m South of the vacant Parramatta properties and adjacent to
have been my Tenants of 22 years and agreed to purchase at \$3,300,000

telephoned me with the news of appointment as Receivers for NAB; he directed me to meet with him at Sydney Office the following day and instructed me to “bring any Contracts or Leases with regard to my portfolio.”

As instructed, I provided the current Lease and Sale Contracts, signed and witnessed by

I expected to witness my signature so that the Sale of properties 4 & 5 may proceed.
With NAB’s approval, refused to allow the Sale to proceed and resorted to what can only be considered, extortion² and ultimately, blackmail.¹

inspected the Granville properties. Under the Terms of their Lease, the Tenants completed regular repairs to workshops at the rear of the property where long term employees of prepared and repaired all vehicles for sale from within the Workshops.

With no advance warning, issued a Notice, banning any entry to, or use of the Workshops because considered the Workshops to be unsafe.” Further, refused to allow the Tenants to undertake any repairs of the workshops which deemed “unsafe.”¹

Effectively, this would force the termination of jobs and force closure of the business.

My Tenants said: told them:-

- “the Parramatta properties 1, 2 & 3 were to be sold by Tender;” and
- “there would be no renewal of the Tenants Lease for properties 4 & 5 at expiry.
- “She was not obliged to sell the Granville property, 4 & 5 to them.”
- “She’d had discussions with other Major Franchise Dealers in the immediate area and would most likely be selling to them.”

The tenants said ‘they were very concerned about losing their *all-important business location* from where they’d built up a good, strong reputation with clients and status as the ‘ and other entities over many years.

Though it was clear to all involved that – the Sale of the properties (4 & 5) to my Tenants was the key to allowing me to keep the other properties in my Portfolio, **NAB approved refusal to accept Signed Witnessed Contracts for the sale of Properties 4 & 5.**

PWC proceeded to sell the Parramatta properties (1, 2 & 3) by Tender.

Following the sale Company Secretary for told me:
“I felt very sorry for you; I believed I had a firm verbal agreement with the selling Agent that, is willing to increase the bid substantially to buy properties 1, 2 & 3.

aid he was "shocked to learn that the Parramatta properties were 'sold 'to without any attempt to secure a better price from

told me that refusal to allow the Sale or Lease of the Granville properties to them, was akin to *blackmail and they had no choice but to* submit a Tender for the Parramatta properties in the hope that they would remain in Auto Alley - as they would have no business left if they were forced to leave Parramatta.

NAB refused all contact with me and refused to meet with a Solicitor who acted briefly for me.

have always refused to disclose any information about anything, in writing.

At the completion of Sale of the Parramatta properties, second Appointee, arranged to meet me at a Coffee Shop in Bronte at around 3:30pm where he disclosed to me *that -*

- *met with the NAB at 9am this morning* and they - NAB - approved the Sale for the Parramatta properties *to my Tenants in properties 4 & 5.*
- *This* meant that the whole Portfolio would have to be sold.
- said "well it's all over now. There's no point in worrying about it. You'll have to start again."

At nearly 70 years old, my spirit is broken and I am physically, worn out. I am now destitute.

Without discussion or written notice, then proceeded to sell my other properties.

PROPERTY 6 -

This property comprises 2 spacious, Sunny Residential Units and a Shop occupying the ground floor.

The location is central to Eastern Suburbs beaches, major Hospitals, Universities and Private Colleges and is extremely sought after. It is an easy 4 minute walk to Kings Cross Rail station, major Supermarket chains and Tenants walked to work in Sydney CBD daily.

Note: This property adjoin which is owned by my daughter and is not mortgaged with NAB.

The 'fire sale 'of Orwell St has robbed my family of invaluable potential to develop or sell both sites.

PROPERTY 7 –

This property is a magnificent Art Deco block of 12 x 1 bedroom units with Sunrooms and a large Penthouse occupying the entire top floor with water views toward Sydney Harbour. It has a Private Lift into the Penthouse and is setback from the traffic noise of New South Head Rd., opposite the Edgecliff Centre and Edgecliff Rail Station.

With NAB's approval,

- Sold the property for approximately \$500,000 less than NAB's valuation.
- Allowed the purchaser to open the properties For Sale the day following exchange of Contracts on 5% deposit.
- Though Strata was not complete, the Developer told me that 8 of the Units were sold on *this* day following exchange on Contracts

- Tenants related to me the 'sale price' of their Units and it would appear they were sold - at extremely cheap prices; ie \$480K compared to recent sale of a comparable unit in an adjoining block for \$710K.
- Allowed the purchaser to continue with the Strata Application under my Company Name

Speed was the order of the day.

I notified Council that the purchaser was using my Company's identity to complete the Strata Application. Council held up Strata approval for approximately 48 hours until NAB approved the Strata Application to proceed under my Company name.

By the time settlement was due - 6 weeks later - the building was strata titled with 85% of the Units sold. The developer made known to me, Sale prices of individual Units and in view of those figures, he made in excess of \$2,000,000 profit.

Property 8 -

My home.

Eventually, with "losses" cited by _____, NAB then evicted me & sold my home for \$1,635,000, \$35,000 less than what I paid for it in 2003 – 10 years prior.

The following sales in close proximity reached \$2,030,000, \$2,200,000 and \$2,450,000

The NAB used up the \$865,000 term deposit for *Penalty Interest* and now say I owe them approximately "\$120,000 for losses."

NAB's Conflict resolution Officer offered absolutely no help toward halting the sales of Properties 1-7 or in my appeal to him to prevent the eviction from my home.

I emailed NAB CEO _____ – begging him to consider the *facts*. *He didn't! His Secretary referred me to _____ Manager of Board and Executive Feedback.* Upon listening to my plea 'to halt the eviction' between giggles, _____ agreed to defer the eviction scheduled for December 12 until 13 March 2013. This was NAB's idea of "Goodwill."

Please see attached – my email to NAB CEO

It beggars belief that :

- NAB deliberately froze my funds and deliberately prevented me from paying shortfall interest for a temporary period from my own funds.
- Applied \$865,000 to meet trumped-up Penalty Interest and now say I owe them approximately \$120,000 for losses."

This is after humungous fees charged by Price Waterhouse over 20 months.

As is the case in the sale of all properties, I was not given any information with regard to sale prices of the properties. _____ told me that _____ refused to disclose information to third Parties."

I reasoned that "I could hardly be considered a third Party." _____ responded:

- "The NAB are the First Party, The Purchaser is the Second Party and you are the third Party."

Along with many others who have been annihilated by NAB my health has suffered dramatically. I have developed a relatively rare autoimmune disease –

How is it possible in Australia that the bank can prevent us from using our own funds to pay our mortgage? How can this be condoned by the Australian Government, the Department of Fair Trading, ASIC, FOS, ICAC and all other relevant authorities?

Aside from the properties being undersold, additional losses amount to nearly \$2,000,000 for Stamp Duty, Legal Fees, Municipal Rates & Water, Refurbishment, Installations and Maintenance & Repairs etc.

But most importantly, the Investment potential and future Income - my family's legacy - is lost forever.

After working alongside my husband (deceased) for an average working week of 50 -72 hours for most of our lives - I am destitute. Our hard work and my good health has been stripped and stolen by the criminal, predatory and unconscionable business practises of NAB.

I realise that you have structured your Terms of Reference in such a way as to avoid being put into the position of directly assisting victims. However after reviewing the cases that have been submitted I am sure you will understand the need for firm and decisive action.

NAB's victims have a moral, ethical and legal right to be full and fair compensation. The criminals involved in engineered defaults must be pursued, suffer claw-backs of ill-gotten assets and be jailed.

Thank you for your time and efforts,

Faye Andrews