

David & Janet Chapman



20th July 2009

Inquiry into financial products and services in Australia

Dear Sir/Madam

In 2006 my husband and I decided to do some investing in property to help us in our future retirement as we do not have a large amount of superannuation.

Our broker/planner arranged a Low Doc interest only loan for us in which the equity in our home was used. We are now under the threat of losing our home which we have worked hard for over the past 40 years and there is no retirement in sight as we now have an enormous loan to furnish which is impossible, one way or the other we will have to leave our home. We are devastated to say the least.

We are now receiving the help of Denise Brailey consumer advocate who advised us to ask the banks for our Loan Application Forms, which we were never given and didn't know existed, after a long process and finally on receiving these documents we realized the fraud that had taken place.

The Banks did not check that the low income earners and pensioners that they were lending the money to could afford to repay these loans and did not take the time to confirm with us the details on the forms. The banks readily accepted the documents and seem to have been working hand in hand with the broker/planner Kate Thompson. We have since found out that she was paid commission by the lender (or aggregator) as the AFS license holder.

In Conclusion:

The banks should not be allowed to profit from fraudulent acts such as these and we would like a full inquiry into the banks who created the Low Doc and No Doc Financial Products and then paid broker/planners under the AFS license to sell such a monstrous product to pensioners and low income earners such as ourselves. We would like the Parliament to force all Banks and Lenders to forgive these loans ASAP.

Kind Regards
David & Janet Chapman