

Naomi Major

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600
Australia



Dear Sir/Madam,

RE: Inquiry into Financial Products and Services in Australia

In 2006 my husband and I invested in a financial strategy and property introduced to us by our mortgage broker. The purchase of the same was effected by our transferring the mortgage on our residence from our original lender to another lender, who also lent the money for the second property. The new mortgage was in the form of a Low Doc Loan.

Being a Low Doc Loan I did not question the miniscule amount of documentation given to us at the time of transaction. I later on the advice of a consumer advocate petitioned my lender for copies of documents relating to our loan that should have been made available to us at the time of transaction. Principle among these was the Loan Application Form. The copy I received from the lender was incomplete and contained fraudulent details. I was not aware of the contents of this document at the time of transacting the loan. I have since asked the lender on four more occasions, including via telephone, written, and in person at a branch for a complete copy of the Loan Application form. This has not been forthcoming.

Why is it that I am unable to obtain a document *relating to my loan* from my lender? Further, how has the lender approved my loan without even one phone call to myself to check the accuracy of details that were provided by a third party (the mortgage broker)?

This suggests two things; first that the lender/bank did not follow their own Lending Policy Guidelines, and second that person(s) within the bank were accepting on face value the documents provided by certain brokers such that the loans were accepted, the lender and the broker thereby mutually benefiting financially by this arrangement.

I am now in financial distress, having been fraudulently entered into a loan arrangement that I cannot sustain, and face the prospect of losing my own home - the great Australian Dream.

I recommend to the inquiry that:

1. The Committee inform all borrowers of Low Doc/No Doc Loans procured by mortgage brokers that they are entitled to a copy of their Loan Application Form,

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and force the lenders to provide the same. Most borrowers do not even know that this document exists, and therefore that the fraud in their loan exists.

2. The Committee perform a full inquiry into the lending institutions that created these Low Doc Loans, allowed them to be manipulated, and paid commission to the brokers for doing so.
3. Whether the planner/broker holds a state based broker license, is an authorized representative of an AFS license holder, or other, that ASIC be made to exit their offices, enter the real world, and regulate this commission-driven industry.
4. Finally, that Parliament force these lending institutions to forgive these fraudulently constructed loans. The banks must not be allowed to profit from complicity in a fraud.

Thank you for this opportunity to have a say.

Regards

Naomi Major