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I would like to submit the following to the Financial Systems Enquiry. In October 2007, we took out loans for an investment property. The whole thing became a total disaster, when despite all our verbal and written instructions to the broker, he wrote the whole thing diametrically opposite to what we had instructed. As if that was not enough, the lender (on one side) Perpetual who sold the mortgage to Calibre Financial Services, decided in February 2008 that they would cancel all finance out of NSW, because they were overexposed to the subprime stuff in the US. This was in spite of unconditional approval of the loan and our house had been underway for 2 and a half months. They have breached their own terms and conditions and don't even seem to know the difference between a Line of Credit and an Interest Only loan. When the broker failed to refinance (we were never told about the cancellation of finance until August, 2008 when the house was ready for a tenant) there was no money to pay for the house on completion. It appears the broker convinced the builder to build with no progress payments, even though we had dutifully signed and forwarded the progress payment invoices as we had received them.

Also, the NAB (where 2 loans were from – nobody understands why he didn't write the whole thing in one loan through one party instead of 3 loans through 2 parties), we discovered in 2011 that the NAB's documentation are completely inadequate. We had specifically instructed that we were not to receive a Line of Credit Loan and nowhere on any of the NAB's documentation are those words to be found – it is called a "Flexiplus Mortgage Choice" loan, we also discovered that the original application that the broker had filled in that we never saw until February, 2011 – had been changed to inflate both my husband's income and my income (which was never to be included anyway); Also, the tax assessment notices that we took to the broker for the 2006/7 year, had had the taxable income amount changed. This made the taxable income amount and my husband's income match. The fraud, maladministration and deceit involved in the financial industry in this country is corrupt. We have discovered through BFSCA that there are thousands of people in our position in Australia. Instead of being totally debt free (I am 67 and my husband is 66), we are now \$230,000 in debt. We have had this with COSL, ASIC and FOS and all have rejected the claim. There are many breaches of the credit code as well as the criminal code, but it seems that the above bodies think the law is just a suggestion and not to be obeyed. We are now in the position of having to have lawyers and barristers (fortunately they are doing it on a no win, no fee basis) to try and rectify the matter. I have also made a formal fraud complaint to the Queensland Police who say that it is a matter of major fraud. They are going to pursue this criminal matter. This is also the opinion of lawyers and barristers.

2.

Just who do these bodies think they are? They couldn't care less if people like us are homeless, because that is where we will be if we don't win this. All major banks as well as financial institutions are guilty of this kind of behaviour.

ASIC once told me (Greg was his name), that "they're really only interested in the big end of town not ripping off the big end of town, but when the big end of town rip off the little person, the amount of money is so small, and they don't have the money to investigate every complaint." Our small amount, is \$230,000 and is everything to us, our home.

We need a major shake up of this industry in Australia; definitely NO WATERING DOWN of any of the legislation. We need to have them hog tied if necessary with red tape and regulations. If they're not, they just take licence wherever they can and the client/consumer is left at the starting post. The sooner we get a ROYAL COMMISSION in Australia, the better and the sooner Greg Medcraft and Co. are stood down and someone decent is put in there, the better off we'll all be. On second thought, take these matters out of the hands of ASIC and place them back with the ACCC where, at least, we used to get some satisfaction, just so long as the person in charge is someone with the determination of Alan Fels and not someone who is in bed with the banks etc. like ASIC is. I read the interviews at the Senate Enquiry into ASIC. I thought it was a jailable offence if you lied to the Enquiry. Apparently not, because there were some lies told there – as blatant as it gets.

I would be happy to appear before the enquiry if needs be and if anyone would like to contact me directly, please feel free. I would be only too happy to speak to you.

Thank you,

Lyn Hume