

To:Senate Committee Inquiry
Access for Small and Medium Business to Finance

(...) gave me a \$3m loan to purchase a motel in July 2005. It was meant to be a 5 year loan. Despite the loan performing flawlessly, the bank at the 4 year 10 month stage, put my interest rate up to 13.05% !!!

I have tried to refinance but, because of the shortage of finance for small business I have not yet been successful. In the meantime the bank has kept me on 13.05% for 9 months now, despite holding 1st mortgage on my properties with a good LVR.

I would not have believed this sort of behavior was legal in Australia, except for the fact it has happened to me.

This is clear and distinct Price Gouging!

Why should banks lend, when you give them so many privileges in generating whatever fees they feel like? They have created their own taxation system!