COMMITTEE SECRETARY,
PARLIAMENTARY JOINT COMMITTEE
ON CORPORATIONS & FINANCIAL
SERVICES.

22nd JULY 2009

P.O BOX 6100
PARLIAMENT HOUSE
CANBERRA ACT 2600

INQUIRY INTO FINANCIAL PRODUCTS AND SERVICES IN AUSTRALIA.

Late 2005 I was introduced to a respected licenced broker for assistance and advise on investing in property so as to help my family and a charitable institution that I wished to donate to.

I had been left the family home by my late husband and had applied for the War Widow's pension and was also receiving part of his teacher's superannuation. The broker proceeded to use the family home to obtain a Line of Credit loan from RAMS, and then followed a number of LOW DOC LOANS from the Westpac Bank, I later learned, by falsifying my annual income on the LOAN APPLICATION FORM. I didn't find this out until I was on the verge of losing the family home.

My Submission is that the banks created the LOW DOC LOAN system, then failed to monitor the LOAN APPLICATION forms as and when submitted by the brokers/planners. By checking the details with the applicant they would be sure the applicant qualified for the loan.

I had trusted the broker to be doing their best in my interest, but it appears she was receiving commissions from the bank. I had three investment properties on one Line of Credit and seven different loans arranged by the broker which I know now had commissions paid to her.

continued.

When the interest rates soared and the value of the last property dropped drastically due to the financial crisis brought on by the banking system, I lost $100,000 invested in it and was caught with the prospect of losing the family home as well.

I then needed to get another loan to pay out the crippling Line of Credit Loan with RAMS, and was forced to get an off-set loan which I'm now paying off from my D.V.A pension and my late husband's teachers' superannuation, in effect the tax payers' money is going to the bank, until 2022!

I'm surviving with help from friends.

It is incumbent on the banks to be responsible for their dealings, not careless and greedy in regard to low income persons and an octogenarian pensioner like myself. The banks have been profiting at our expense, it is time for them to withdraw these LOW DOC LOANS to stop the bleeding and raise the standard

Respectfully Yours,

RUTH LENNIE.