Banks are being dodgy with securitisation. It's worse than you thought.

Summary:
Some great research from Leon Ashby and the team on how the banks are double dipping to rip off clients after mortgages are bundled and sold. We knew it was bad but this just stinks.

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The Bank Industry-wide Asset Repossession Rights Scam needs fixing

This Information needs acting upon by either State or Federal politicians.

Under the Australian Constitution,Section 118, State laws come into effect across Australia if no other State`s law contradicts it - or a Federal law overrides it.

1) Banks have Fraudulently claimed Repossession Rights on loans after the loans were sold during a process known as Securitisation.

- Please find attached below three articles explaining how a Repossession Rights Scam works and

how banks use the scam to obtain hundreds of Millions of dollars of revenue fraudulently.
- This Scam & Fraud has devastated thousands of businesses and families via a fudged process that has been in operation for a decade or more.
- The Repossession Rights Scam article (attached below) is a diagramatic explanation of the important facts.
- An article by Dr Pelma Rajapakse, Senior Lecturer Griffith University from the Australian Financial Review (2011 - attached below) confirms the very same thing (Banks' Mortgage Rights are removed when the loans are sold via securitisation).
- A NSW Uni Study Guide law summary (attached below) verifies separating Legal & Equitable titles in a mortgage (which is what banks say they do in securitisation) is illegal.

2) The Banking Royal Commission failed to investigate this issue despite victims requesting it be investigated.

3) Bank Victims have not been able to have this specific issue heard in court to date.

4) So to uncover this Scam & Fraud, this issue is being explained and sent to hundreds of media people & politicians to try to have it widely understood.

A Quick Summary of the Issue.

First - We are not saying Selling mortgaged loans (Securitisation) is wrong or immoral.

We are however saying several aspects of the process have been done fraudulently, but can be fixed and remedied.

Here are the steps that are legitimate and fair

- Banks can fairly bundle hundreds of mortgaged loans together to sell to a Trust
- The Trust can fairly repackage and sell the "repayment agreements" of those loans into "Bonds" for investors to buy.
- The loan security system (to protect the Lenders investment) can fairly be changed - from an individual Mortgage / loan agreement (signed up as individual loans) - to an industry-wide securitised loan insurance system (paid for across thousands of loans).
- The borrower can and should pay for the insurance cover - so in the event that he/she defaults (cannot pay), the investor (Bond Holder) gets paid out the damages so no-one is financially hurt by a default.
- The Bank can and should be paid by the Trust (for the original loan) - and the loan can and should be removed from the bank's accounting processes (therefore demonstrating it does NOT have a loan with the borrower anymore).
- Also it should be widely understood the bank is NOT the lender to the borrower anymore and instead becomes the "servicer" (collector of payments) for the loan.
- We repeat - there is nothing wrong with these parts of the securitisation system operating openly and fairly this way and being understood

Now to explain the bits that are unfair, immoral and should be clearly made illegal.

- The Borrower should be told when his/her loan is being sold to a Trust & Traded - but isn`t
- The Borrower should be asked to consent and be fully aware of the various changes to how the loan processes will happen - but isn`t.
- Australian Governments should legislate that banks do not have any repossession rights (to the Borrower's Assets) after they sell the loan to a Trust and are not owed a cent any more for that loan - but they haven`t
- The injustices caused by the "Repossession Rights Scam and Fraud" should be outlawed and remedied.

What injustices have occurred as a result of the Repossession Rights Scam & Fraud.

- Thousands of borrowers (who paid for "default insurance cover" which has paid out their loan lenders (the Bond Holders) after a default - have also had their assets wrongly confiscated and sold.
- Banks have double dipped - first being paid out the original loan by the Trust, then a second time by claiming the asset value through repossession - (without legitimate rights to do so).
- Banks' Lawyers have incorrectly advised various State "Registrars of Title" that their bank had the repossession rights to the property.
- State registrars have wrongly transferred titles to other people.
- Receivers have been wrongly appointed
- People have been wrongly bankrupted
- In some cases, livestock, machinery and crop liens have been wrongly confiscated and sold
- Some police have been tricked into wrongly evicting families from homes and properties.
- Some Stock Squad members have been tricked into assisting to steal the borrowers stock.
- Fake Court repossession orders have been issued.
- On top of this many victims have suffered depression, despair and some have committed suicide as a result of the injustices.

Bank victims believe the logic is so obvious about the fraud involved (as explained in more detail by the articles attached below) that a rectifying piece of State or Federal Legislation is best to solve the problems.

A State or Federal Parliament could outlaw the deceptive practice of Banks Claiming Repossession rights on Loans that have been sold to Trusts (Securitised) - and do it in a matter of days.

For more info - Contact Leon Ashby
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File Attachments:

Attachment	Size
Repossession Rights Scam - 30th Aug	557.83 KB
Securitisation Ends Originating Banks Rights - Dr Pelma Rajapakse	250.87 KB
Equitable Rights and Equitable Titles	358.55 KB
Perpetual Trustees Victoria v Tsai [2004].pdf	197.4 KB

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