

Think Carefully Before Going Guarantor On A Loan Involving NAB..!!

Summary:

NAB's predatory ways can badly affect a person who guarantees a contact's loan. This article points out the dangers of being a guarantor - especially for a loan involving NAB.

Article Information **Category:** [Dr Brandson's Blog](#)

Banking Company: NAB

Bank Malpractice Type: Predatory Lending

Corruption

Powermongering & Greed

Unconscionable Conduct

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A Warning From Bank Reform Now

We have been working with several people recently who have clearly shown us the dark side of banking. The ramifications are so important we thought we'd explain it even before we officially launch our campaign. There are subtle clues in the photo with this post regarding the bank involved in many of these types of cases.

Folks - be very cautious when a contact - maybe a relative, friend or business associate wants you to guarantee a loan. Many people do not understand the risks involved when they became a guarantor. Generally your contact's bank wants to lend more money but your contact does not have enough property to satisfy the bank's requirement for security on the loan. That's where you come in. You may own a paid off house or investment property. If you guarantee the loan your property becomes security for the loan.

You as guarantor do not have the same ability as the bank to check your contact's financial situation. You would assume and expect that the bank would do due diligence to check that the loan was reasonable. If the bank gives the impression that the loan is affordable you will feel more comfortable helping out. The furthest thing from your mind would be that the bank would deliberately entrap you so as to increase its profits and improve its bottom line.

If your contact defaults on the loan even by just getting behind a few thousand dollars in payments. The bank can take your property - which may be worth 100 times the arrears owed to the bank.

Here is where the story gets dark.

First - in many cases of these sorts of loans the bank knew that your contact would likely default. The bank wanted you to guarantee the loan so that when the default happened they would not be out of pocket. Think about it - the bank knew from the start that your contact could not afford the loan. Your contact may even have been in significant financial difficulty. Yet the bank gave the loan anyway. The bankers involved get their commissions, bonuses and promotions. The bank couldn't lose because they have managed to get your property guaranteeing the loan.

Second - once the process begins to call in the loan and grab the security the bank will have begun using a shadow ledger whereby your contact's account is taken deeper and deeper into debt without their (or your) knowledge. The bank is billing a whole range of arbitrary penalties, fees, interest rates, legal bills etc etc etc. The total could very easily take the full value of the property you put up as security - especially if the mess drags on for a number of years. You could easily be left with nothing.

When a bank rips you off like this it is called business. When you and your friends scream for justice you are called a troublemaker or maybe even a radical agitator.

Folks - there are many more of us than there are bankers and polities. We are taking action and getting organised to prevent further financial distress amongst our friends and families. Bank corruption and malpractice causes real suffering - anxiety, depression and suicide. AND - there will be a worsening of the Global Financial Crisis. Speak out - it is not embarrassing - it is empowering. Stand up and join with us. Keep engaged with Bank Reform Now - via Facebook for the time being. We will alert you when it is time to take action.

By the way - you may notice the happy snap with smiles all round from NAB's Mr Thorburn, Mr Chaney and Mr Clyne. With your help over the next 12 months those smiles will be wiped right off those faces - you can bank on it.

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