

Tuesday December 1, 2009 Update

Recently I took down this website as the banks' lawyer appeared to be willing to negotiate a settlement which did not include us going bankrupt and losing the farm; on the proviso that I remove the site. Being a reasonable human being I felt that this was a reasonable request; however, there has been no discussion; so today it is back!

At our last court appearance (there have been a couple since I first published this website) the Judge told our barrister to advise us to sue the nab for damages (however, we still lose our farm - still don't quite understand this - bloody happy that banking law is so easy anyone speaking English knows it inside and out is all I can say).

Since we will be bankrupted before this can happen I have started an online shop selling T-Shirts, cups, calendars etc so that I can maybe raise enough money to sue the bank. (begging for money hasn't helped lol :) ) Now this is a serious attempt at getting money together, however, the designs are meant to be tongue in cheek (and I promise I'll brainstorm new ideas that are just a fun comment on life and leave the boring, dull banking stuff alone), there's already some fun stuff not including banking comments.

online shop: <http://www.cafepress.com.au/omalicious>

For a more in depth read about some of the designs and how 'omalicious' was born go to <http://www.omaliciousonline.com> you never know, this could be the start of something big (my happy bubble, please be gentle ok?) and I have to do something, anything.

---

Apologies for the tacky nature of this website - I know the basics & that's about it - anyway, there's not enough time to build a flash (as in exciting & spiffy) website because I want to let the world know how Australia's biggest bank treats its customers but mostly how bad an outcome I've had (& I only just thought of using the internet - gee sometimes I am slow!). Join my facebook group '[We want consumer protection in banking law](#)', let's make a difference. The NAB has bankrupted us and indulged in a fair bit of legal theft, I am appalled that they can get away with that and am going to bring attention to the flaws in the system. **update 1/12/09 the facebook group was wound down along with the website - still haven't decided how to proceed on this one.**

Last week I was in the Supreme Court of WA where the **nab** had applied for Summary Judgement against us for a loan that should never have been approved by them in the first place. In winning judgement, the bank will now take possession of the 2 farm properties they used for security. After 29 years of hard slog, we will be forced to declare bankruptcy. I'm totally disgusted with the lies the lawyer for the bank said about me in court and the fact that our defense was deemed to be not worthy of being heard; even though just on facts alone it can be proven that the bank acted improperly and not us. If you get into the tacky debate of he said/she said (as in the bank manager & me) it gets worse for the bank seeing as I actually thought that the bank manager was able to give me advice as to whether the bank could help me purchase the property I wanted. I didn't know that I was **absolutely** clueless, however, now I am ok with my royal title "Queen of the Stupid People" a well earned and deserved title no doubt. (insert your own hysterical laughter here, it is appropriate)

Since our life is either an example or a warning, I'll use my experience to educate others and to lobby for change to Australian banking law; so that other suckers like me have half a hope in hell and some good comes of this somewhere. I still haven't read one article of Australian banking law, so perhaps knowing where to get a hold of it would be a great start.

I'm hoping to start a bit of a blog just to keep things up to date; in case you're wondering, I was 'done in' by this a couple of times; once in December and again in February, my saviour in February was a most unusual candidate but he did restore my faith in human nature so I really do owe him my life. Maybe I'll do a blog to give the details? For now just know I'm doing ok, I have a great faith that there is something bigger than us in charge & whatever comes I can live with. Never mind, back to the bloody bank.

For easier access to my story I'll post separate pages for each bit, for now titled 'background' and 'facts' but as it's a work in progress maybe just play with the lot (sorry about the singular page for now)? (again, sorry, just an amateur with a story and a need to get it heard urgently).

If the info isn't here yet when you land on this page, remember please that the nab is making me pack up my life right now and it's taking a lot of time to pack up a lifetime. Keep coming back, it'll get there,

Not sure about the legality of this next bit, am looking into starting a not for profit organisation to fund the legal fight 'my people' face against predatory banks and while I would love some personal donations to bail myself out and save my home (only one million people donating a dollar should do it - teheheheh) I'm not expecting a personal 'savings' plan (although definitely appreciated). I may only be a lone voice in the wilderness and you reading this page don't know me; I am a seriously honest person and although I don't just this minute have a registration as a NFPO if you were to donate to the cause just send a note telling me the purpose (ie 'bail yourself out' or 'reserved for your peoples' defense') and the money will go to your specified cause (its ok, I won't have bankers making decisions!). My life's pretty much an open book, so if you do search for me that is exactly who you'll find - me, warts & all (some highly embarrassing warts but it's all a learning curve isn't it?). \* some info removed – it's changed that's all nothing sinister lol But mostly I just want you to add your voice to mine and demand a fair go for all of us.

Cheers

Rosie Cornell

---

this page was created on Friday, 28 August 2009  
Last updated on Tuesday, 1 December 2009  
copyright R Cornell

## About Me page

I am spectacularly ordinary, except perhaps, for my ability to dream big.

I'm into the self sufficiency bit (until recently I was milking my housecow almost daily) even though I haven't managed to find the time or energy to do my garden because, well, I've been busy learning stuff about subdivisions, town development and trying not to go insane (I may have failed most in this last bit!).

I'm into DIY, I may not be good at everything (ok pretty poor effort on some stuff) but I do go to the effort of learning to do things myself.

I'm not so much religious but I have more than my fair share of faith in a higher power (God).

I'm honest and gullible (I must be otherwise why would I still trust anybody?)

I actually do have a sense of humour

I am a very positive person who always looks on the bright side of things (sometimes that is a challenge in itself!)

I won't go into all of my history but will mention that even in the 'long ago' our family has been through worse experiences than the nab taking us to the Supreme Court. In recent years I have been involved in a car accident that left my stomach in with my lungs - it took me about 14 months to convince a surgeon that there was a real problem. I won't try to describe what it was like to be in so much pain for so long only to be told that the problem was my weight. Finally towards the end of 2005 I had an operation (got a couple of cool pics of my stomach as seen by the surgeon!) and health wise things got better, not brilliant but most of the other stuff I just get to live with (although if I weren't a wuss I'd get my back fixed - one day). No, I don't feel sorry for myself - it is what it is.

In January 2006 my son was involved in an accident that could have easily killed him (the ute was a total write-off), witnesses said that he had the accident because he hit the gravel on the side of the road when he tried to avoid an oncoming car. April 06 saw me talking to the bank and less than 3 weeks after the initial phone call we had the loan approved.

Over the next 2 years I had a steep learning curve dealing with Government departments, developers, the local shire and all sorts of other people all in an effort to get the subdivision property saleable. I even went to the effort of getting a website happening to get Boddington built (tacky like this one but it did encourage the powers that be that getting a website wasn't as hard as they thought!) - check it out if you like [www.buildboddington.com](http://www.buildboddington.com) but no negative comments please, I really need my happy bubble at the moment :)

It was the most stressful time I've ever lived through, so many demands made by so many people and everybody wanted me to do stuff I couldn't do (I have yet to figure out how to make a real magic wand, I definitely needed one then). Won't bore you all with the details - just the usual life falling apart bizzo really. Needless to say I had a nervous breakdown in December 08, I should have gone to hospital because even my body stopped functioning but chose to deal with it on my own because I was so worried my husband would simply walk away from the farm and give the bank everything they wanted without a fight. I knew by this stage that the bank shouldn't have approved the loan, you should have a read on the Banking and Financial Services Ombudsman's website (BFSO - google it) and check out some of the stuff they've dealt with, interesting read. I kept being told though that because I speak English that I couldn't prove that the bank gave a predatory loan - there's so much legal bulldust that protects the banks ....

Got really down again in February this year (I went to logic which assured me *everything* was really bad and all was lost and the world would be better off without me being an oxygen thief) but an acquaintance happened to say the right thing at the right time and saved me from myself. Thanks again!

Lots more annoying personal stuff happened as it does in anybody's life and then WHAM, end of May this year my son got sick. When I say he got sick it doesn't quite do it justice. He was on intravenous antibiotics and kept getting worse; we were assured it was pneumonia. Now we may not have a medical degree between us but how does a fit young man suddenly get so sick with pneumonia and then get worse on antibiotics? I emailed a doctor friend of mine who asked if he'd been tested for Wegener's (google that too!). That's what he has and it is awful, with the treatment being worse than the disease in some ways. After that, the National Australia Bank are really just an irrelevant annoyance to me, don't get me wrong, I still want to beat them, but there's more important things in life - like your children being healthy.

I worked bloody hard to make sure that I could fix the problem I created and if it hadn't been for the banks giving us the Global Financial Crisis this would have worked out ok even though it was a bad deal right from the beginning.

There's also a side of me that is community minded, I believe that we should all contribute something to the greater good with no expectation of personal gain. I've been actively involved in numerous committees, most recently the Community Environment Committee. I have run for local shire 3 times (in 4 years). During the horribly stressful time I was also talking to community members (sometimes as late as 10pm) who were distressed because there were no cheap rentals in town and they'd heard that I'm a bit of an activist. I spoke to DPI in Perth about Government housing becoming available and the gentleman I was talking to was surprised that things were so bad in Boddington, since the Government hadn't been approached. (hey I don't know what was really happening - but things certainly got out of control here). In early 1997 I started a committee to bring back the Boddington Show, the lack of support from the committees we asked to participate so that they could fundraise was disheartening; but no-one here has to fundraise when the mines pick up the tab all the time. Pity, there was a core group that could see how great it would have been for Boddington to have had a second big day in a year.

---

this page was created on Friday, 28 August 2009  
Last updated on Tuesday, 8 September 2009  
copyright R Cornell

## Facts page

### Facts

This is just a very basic overview of the facts,  
The photo is to show that over 20 years' worth of advertising had made me believe that I could go to the bank for advice but now they claim that banks don't give advice - make up your minds ya buggers.



About 3 years before applying for this loan I approached the bank for a \$13k loan to buy a Hyundai Excel so that I would be able to work in Perth (at the time we were driving a beast which could only be relied on to break down); I was told not to bother applying as the application would be knocked back anyway. This led me to believe that when I approached the bank in 2006 that I would be able to rely on the advice I was given. So how come in 2006, when our financial situation hadn't improved, we were approved for a loan of over \$1m?? Our financial situation has changed significantly since 2007; if we had not accepted the loan from the NAB we would now be on 'easy street'; so I'm not complaining because things changed for the worse in my life which caused the problem. I am simply stating the facts of the case.

I have been looking for advice on how to solve my problem with the nab for over a year now, no matter who I turn to the advice always ends up costing me money for no gain or being a dead end.

I have started this website [www.ihatethenab.com](http://www.ihatethenab.com) (don't hate them just a good title) to state the facts of the case; also as I'm not a mean and vindictive person I have not mentioned any individuals name bar my own.

I'd appreciate you reading it so that you can judge for yourself whether I was treated fairly or if the National got a free pass.

### As an overview

In 2006 I had put in an offer on a 600 acre farming property in Boddington WA as I had a verbal offer to sell our 56 acre property (also in Boddington) to a developer. Three weeks before settlement I still had not received a written offer from him but assumed he was no longer interested; so was about to let the vendor know that the sale had fallen through. Foolishly I telephoned my Agribusiness Manager at the nab in Narrogin; whose immediate response to my question (could I borrow almost \$1m to purchase the new property even though there was no written offer on our property?) was sure, no problem. I explained our financial situation fully; the 05 financial year had been exceptionally good, however, all the income producing sources from that time no longer existed. I offered to provide him with both the 04 and 03 tax returns but he only wanted 05. We had banked National since about 1997/98.

The manager and his two associates spoke positively and enthusiastically to me over the application period, never once saying that they were not giving me advice (I thought they were) nor actually advising me to get professional advice on various aspects of the business plan which I wrote in support of the application (having discussed what would be most appropriate and likely to get approval). The idea was to sell our property to pay for the new one; however, since our property did not yet have the correct zoning for subdivision we would have to apply for rezoning. The plan evolved that should we fail to sell the property then plan B would be for us to subdivide it ourselves, with the bank financing this exercise; selling the individual blocks to pay down debt. Neither my husband nor I were interested in becoming developers as we had no knowledge of what was involved and the manager and his associates knew this. The bank manager knew that even with the business plan we were unsure that we would be able to meet more than 1 interest payment (on an interest only loan - interest paid every 6 months) before things would get tight; I kept being reassured that because Boddington was just beginning to boom with the re-opening of the gold mine that we would sell the property well before a second payment was due. As ridiculous as that sounds I believed it.

I had only just done a hydroponics course, the fish farming we had experience in (but no success with) was pond culture and the new plan was to have a tank culture so that it would tie in with the hydroponics. The crop wouldn't be ready in time, nor would the lambs and we had no

experience in farming costs and income. The bankers spoke so positively that I believed that this was doable.

There was no valuation done on either property, the business plan did not show expenses or how they would be paid for (it says this has been accounted for but doesn't show where or how); I can prove that this plan was produced after a telephone conversation with the bank and faxed through a few hours later. The loan was approved in less than 3 weeks. This is all in the affidavit. Since I have had nothing but heartache brought down on me by doing the right thing and always following the rules; and I have absolutely nothing left to lose, I published this website anyway and have let a few people know about it. It's now in God's hands.

This sorry affair has cost me my lifestyle and everything we have worked for over 29 years. I am not the same woman I was when I rang the bank that day. I worked hard at resolving the many problems and especially paying back the loan - all of it and at every turn I was thwarted by Government inaction, endless demands from the bank to do things, developers and finally the banks giving us the Global Financial Crisis; which is a pity. Although I shouldn't have been given this loan I still managed to learn enough to get a few things changed and might even have been able to fix the problem if the bank hadn't reneged on its promise that they would back us financially to subdivide the block ourselves.

I might have signed the papers but the bank shouldn't have approved the loan in the first place; I really believed that they wouldn't put money into a venture that had such a high risk of failure (I believed the manager when he said it was pretty much foolproof)

### **The Important Facts** (again)

- At the time I was not aware that the NAB had a 60% lending policy for rural properties; I was not required to supply valuations on either property. Yet this became critical for continued support by the NAB in February 2008. The main factor of the plan; selling one property to pay for the new property was therefore also not tested. Why was I not advised to get a valuation on both properties or at least a pre and post subdivision approval valuation on our property to gauge whether the assumed time-frame and financial return was correct? Since they lent me more than 100% on the purchase price of the new property and we already had a mortgage on our property, how did they know that the loan wasn't over their policy limit? Just curious. I have read the definition of predatory lending in Australia - one of the key indicators is no valuations on assets used as security against the loan. Did the nab assume that when we defaulted they would get all their money back by selling off the properties?
- The business plan was not professionally prepared and there was no reliance on actual quotes - there was not enough time (phone records and time stamps on the document prove that the document was produced after talking to a bank officer and faxed through that same day). Although it says that expenditure has been accounted for; in actuality it is easy to prove that this was not the case. Why did the bank approve such a large loan on such an ill prepared document? Why was I not advised to seek

professional help to prepare the document? Why was I not required to include quotes for all the different aspects of the business plan? I didn't know that banks are not supposed to lend money for business purposes unless the applicant has at least 2 years experience in the industry; yet we had no real experience in almost all of the income producing activities proposed in our plan. All of the activities were to be undertaken on the new property. As an aside, at an off the record meeting earlier this year, the bank officers let it slip that the first loan application was rejected, when resubmitted with the new business plan it just made it past - still being considered a "tight lend". I was not aware until that meeting that there had been more than one application lodged. The conversation I had with the nab before drawing up the second business plan was that I needed to pad it out a bit more to get it through. Had I been told that the application had been knocked back it would have answered my question (can the bank help me to still buy the property) with a resounding no. I was not allowed to use this information in my affidavit for the Summary Judgement because of the way it had been obtained. Yet at Summary Judgement the banks' lawyer made reference to it and mocked the idea that there had been a second application - so who lied exactly?????

- The loan was granted in an extraordinarily short time (initial contact 28/04/06 and documents signed 16/05/06) and with the encouragement of the bank officers along with my own excitement of buying my dream home there wasn't enough time to really consider the long term consequences. The bank officers had me believing that I was extraordinarily foresighted to consider this plan and that it was practically without risk.
- The banks' lawyer said in court that the purchase of the new property was a contract I couldn't get out of and therefore the bank had not acted improperly in giving the loan, this is totally false. There was a subject to clause in the offer & acceptance and I was about to inform the vendor that I was going to have to let the property go since we had failed to get a written offer on our property in time. Then I stupidly rang the bank for advice and had so much encouragement and enthusiasm heaped on my already overenthusiastic dream that I ended up in the deep whatsits.

It also annoys me that the banks' lawyer said in court that I had lied to the bank in my loan application. Now I'm finding it really hard to understand how he could twist my telling the bank manager every detail of our financial situation in my initial telephone conversation (so that he would have enough information to realistically assess our chances of getting a loan) into I lied to the bank to get the loan? It beats me. It's not as though the bank didn't have access to all of our financial history (remembering that we'd banked National since about 1998). For the record, had I been determined to buy the property come hell or high water I would have approached all of the banks a lot earlier than 3 weeks before settlement was due. But the National was the only bank I approached; go figure. I asked the manager for advice, I trusted the bank, just two mistakes I will never make again.

The banks' lawyer also stated categorically that my husband and I wanted the bank to absorb all of the debt and we wanted ownership of both properties at the centre of this dispute - what a ludicrous suggestion, we have always paid our bills, we believed that as a best case scenario we would be able to retain one property (we have a preference but would take what was deemed appropriate) with a mortgage; this would still leave us worse off than we were in

2006 prior to the bank giving us the loan, but that would be fair. The bank never asked us what we wanted prior to the off the record meeting and from that meeting their lawyer knew what our position was. As soon as the lawyer said that in court the Master made his ruling - I believe I was sunk by a pack of lies.

The bank, at the time of the meeting, was not aware that the subdivision approval had been granted for 20X1ha lots and not 5X10ha lots as originally proposed in the business plan. After we had already signed up the loan we discovered that 5 lots were not going to be profitable enough to repay the loan - something a pre and post subdivision approval valuation would have clarified - but I didn't know such a thing existed. I also was not familiar with terms and concepts such as speculator, due diligence and **unconscionable lending**.

The bank manager who helped me with my loan application did not supply an affidavit to the court, the bank relied on the affidavits of a Senior Manager who did not come into the picture until end of 2007 and a lawyer not involved until end of 2008, the affidavits dealt with events since the (predatory & in my personal opinion illegal) loan was granted. I was advised that I would be able to defend these matters at trial - which I was never given a chance to have. I spoke to 3 bank officers regarding the loan, not one of them was questioned or required to submit an affidavit- this begs the question; why not? I know where the bank manager is, so he's not hard to find, fyi, he hasn't been with the bank since 2007; is there something in that? Just raising the question since I have been made out to be an outright liar. I know that the bank is all about the default notices, but given that the loan shouldn't have been granted in the first place I did have a valid defense; how come big money **always** wins?

I worked bloody hard to make sure that I could fix the problem I created and if it hadn't been for the banks giving us the Global Financial Crisis this would have worked out ok even though it was a bad deal right from the beginning. I learned all about subdivisions (and how local and state government works) and found a company that would have overseen the project and we would have been ok even though I am too stupid for words. But the bank reneged on its promise to fund the subdivision costs (that's in the business plan) and so has to accept it is responsible for the problem too; I shouldn't take all the blame - after all, they're the **money professionals** whose advice I relied on. And they're also the ones who ensured that we wouldn't be able to sell the subdivision when they put us in default; even though I begged them explaining that we had a couple of serious buyers - why would anyone pay full price when the bank will give it away in a mortgagee sale? Talk about the Boxing Day sales .....

---

this page was created on Friday, 28 August 2009  
Last updated on Tuesday, 8 September 2009  
copyright R Cornell