

Banks Lie!

by

Chris Field



Chris Field in front of the home Macquarie Bank took off him, which he then took back a week later!

Melbourne Australia

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INTRODUCTION

What you are about to read is truly saddening. Banks, who we always respected as pillars in our society, are proving themselves to be deceivers who exploit ordinary people and even rob them of their family home and inheritance.

Rather than acting as responsible businesses to assist ordinary people, they act with cunning intent to entangle people in evil financial schemes.

I wish it wasn't true.

I wish things were the way I always believed them to be.

The truth is that millions of us are under tyranny every day, our money taken unjustly, our homes under unbearable strain and our families reduced to servitude and defeat. Meanwhile banks post record profits and thrive when we are in our greatest pain.

We have always relied on banks to be there for us to help us buy our family home and build our wealth. We bow to them and please them, so they will lend their financial resources to us.

And in that very process they deceive us and exploit our ignorance.

I am not sure how we get out of the mess I expose in these pages. Maybe we need to return to smaller, localised banks, where real money is made available by real people helping real people, instead of international money games being played at our expense.

As you read please do not infer that there is a hate campaign against the banks. I am simply exposing some hidden realities so we can all work toward an effective solution. This is not about getting something for yourself or getting something for nothing. It is about revealing the Truth, so the Truth will set us free - however that happens.

Believe It Or Not

The following pages contain facts to support the following statements, even though you may find them hard to believe.

Believe it or not, what your bank gave you as a "loan" is not a loan at all. The bank lied to you.

Believe it or not, what your bank called a “loan contract” is not a contract at all. The bank lied to you.

Believe it or not, your bank has disposed of the “loan contract” to undisclosed third parties but wants you to believe it still holds all rights to your “loan”. The bank lied to you.

And there’s more lies than that, but maybe that’s enough for a good start.

Rosie Cornell and the National Australia Bank

I have just been introduced to **Rosie Cornell** who was shafted by the **National Australia Bank** and has set up a site called **I Hate the NAB**, which you can find at <http://ihatethenab.com>

She has this to say about banks ...

“banks are bullies who try to intimidate you even when they know they did the wrong thing”

“when the bank has no legal leg to stand on in court their lawyer will make up fanciful facts about you in court”

“banks are not as trustworthy as they want us to believe” and

“The National Australia Bank knowingly and callously destroyed my life”.

This year Rosie lost her farm and her way of life.

Read her story at the ‘I Hate the NAB’ site and see that the bank really did take advantage of her. And that kind of behaviour is what this book is all about.

PART ONE: Banks Lie

Banks Lie! And that's why I'm fighting my bank. And that's why I've been evicted from my home. And that's why I re-took possession of my home. And that's why I'm still fighting my bank. **Banks Lie!**

I've been at this for over a year now trying to get the bank to tell me the truth. They've had more than a year to do so, but simply won't do it. They ignored my letters, rejected my claims in court and got an unjust judgment against me. But I haven't given up. **Truth and Justice will win and they're on my side.**

But **some of you won't believe that Banks Lie** or that I have truth and justice on my side. You have been brainwashed to believe banks always do the right thing. Maybe what follows will help you re-think that.

I'm not an accountant or financial adviser, so I simply share what I have discovered and believe to be true. I want you to do your own research. Don't take my word for anything in this document. **Search it out yourself.** There are many surprises ahead as you do.

Banks Lie!

In October this year **Businessday** reported that "state law enforcers joined to launch a nationwide taskforce to investigate allegations that **US financial institutions evicted millions of home owners based on potentially false documentation.**"

Wow! **Millions of home owners evicted on potentially false documentation!** That's lying on a grand scale. And guess who the victims are? It's ordinary people like you and me, who are powerless before the might of the banks.

And Robert L. Bororsage –wrote on 14 April 2010 that *"According to the FBI, **80% of mortgage fraud is committed by the lender. We're not talking about stupid loan officers allowing borrowers to get away with something crazy that is bad for the bank. We're talking about clever loan officers pushing fraudulent documents in order to score bigger paychecks, and bank executives looking the other way so that they can keep getting big paychecks from the securitization machine.**"*

Banks use lies and deception. In the following pages I will show you that **if you have borrowed money from a bank you have been lied to and cheated.** That's just the way banks do business. **Banks Lie!**

The lies are so pervasive **we are brainwashed** to think banks do right and that we must do this or pay that and sign over this or that, and so on. Most people who work in the bank have no idea how much they have been brainwashed and how many of the things they do play along with the lies. So this is **not** an attack on people who work in banks, but an attempt to expose the Truth so **the Truth will set you Free!**

When my protest went on national TV in Australia, on **Channel 9's A Current Affair** program, in late October 2010, claiming **Macquarie Bank** sold my loan contract to others and won't admit it, Macquarie claimed they never sell loans. Yet their own website brags that they are leaders in mortgage securitisation. That means they **SELL** loans to investors! **How's that for bold-faced lying?**

"We have been amongst the top 3 Lead Managers of Mortgage & Asset backed Securitisations each year since 1997 as measured by volumes issued."

http://www.macquarie.com.au/au/corporations/raising_capital/securitisation/capabilities.htm

"As manager of the PUMA PROGRAM, MACQUARIE SECURITISATION LIMITED is a leading Australian issuer of residential mortgage-backed securities. It has raised a total of \$A41.1 billion in 45 separate issues since 1993, involving 34 public issues in Australia, five public issues in the European markets and six global issues." <https://www.macquarie.com.au/mgl/au/about-macquarie-group/news/2010/20100826a.html>

If these links don't work it's because Macquarie has taken the pages off the web. You can no longer find them through Google. Try Yahoo, Ask etc.

Macquarie Bank

Macquarie Bank was also taken to task in November 2010 by the Australian consumer watchdog, the ACCC, for its treatment of small business owners caught in finance scams. **ACCC chairman, Graeme Samuel**, told Australia through the **ABC Four Corners** program that ***"many small businesses have been misled into signing agreements offered by telco companies, on the understanding they will receive***

televisions, laptops, phones or other electronic goods in conjunction with phone services.”

Macquarie Bank is tied in with it all and, according to Graeme Samuel, is playing hard ball with customers caught in the scam. ***“Four Corners reveals that Macquarie, through its subsidiary Macquarie Equipment Rentals, has sued more than 300 small business customers caught up in the deals.”*** That attitude of self-interest and abuse of customers is actually normal for banks.

Ruth and the Farm

My sister-in-law, Ruth, carefully negotiated with the **National Australia Bank** earlier this year to get money for her farm. She insisted on a particular set of fees and the area manager agreed to them. But when he came around with the paperwork he was in a hurry. He assured her it was all exactly as she had negotiated and she was tricked into signing hastily so he could hurry off to an appointment.

The manager lied. The terms were different and she struggled to pay higher fees than the original verbal agreement had determined. I assisted her when she went to the banking ombudsman to sort it out. We both saw the bank play hardball and insist on knowing every little detail about her business, while refusing to accept they had lied and deceived her.

Gone are the days when we could trust our bank manager. **They are no longer local chaps helping us get ahead, but corporate animals meeting their quotas for the head office and happily lying to us if they think they need to.**

Banking has really changed since I was a boy. And corporate self-interest and deception is much more obvious than ever before.

But the public goodwill toward banks is slow to catch up with reality.

Truth in Lending

The USA created a **Truth in Lending Act** back in 1968 and in Australia “Truth in Lending” is included in the **Uniform Consumer Credit Code (UCCC)**.

Yet, for all that, the level of lies, deception and fraud perpetrated by banks is staggering.

In early 2010 the use of “**foreclosure mills**” in the USA was exposed when former law firm paralegal **Tammie Lou Kapusta** testified that **David J Stern**’s law firm **manufactured fake documents** as needed, backdated documents, signed more than 2,000 documents daily without reading them, **switched signature pages** among documents, and had **three people sign the same name**. She swore the firm knowingly created and gave courts documents with key information listed incorrectly, such as how much the debtor owed or which bank was foreclosing. **This is not “truth in lending”**. **Banks Lie!**

Westpac Letters

In the late 1980’s, when **Westpac Bank** lost huge amounts of money for its investors, multiple lies were told and many who were ripped off never got justice.

A **Sydney Morning Herald** reporter exposed “*devastating evidence of a major cover-up by Australia’s largest bank being advised by one of Australia’s largest law firms about major wrong doings of staff in one of its major subsidiaries on how to best prevent information about those wrong doings ever being revealed.*”

When the **Westpac Letters**, written in late 1987, were made public, Westpac vigorously tried to shut down the whole exposure. “**There was a flurry of activity in the Supreme Court, with judges slapping injunctions on virtually everyone who dared mention the existence of the letters in Australia or in New Zealand.**”

Brainwashing

Banks do not like the truth being exposed. **Banks Lie!**

But, not only do banks lie, they brainwash the public so intensely that many people immediately REJECT THE TRUTH as preposterous when it is presented to them.

For those who are prepared to investigate the matter the following pages point you to a search for ‘truth in lending’ that goes far beyond the window dressing of the UCCC.

PART TWO: What is Money?

What is Money?

One area of confusion, exploited by the banks, is misunderstanding about money.

Most people think of money as a pile of those notes and coins used as legal tender in their country. Even when people see a number written on a bank statement they translate that number into those tangible pieces of paper we hand over to buy things.

Much buying and selling today does not involve handing over those pieces of paper, but simply moving numbers from one account to another, but we feel secure that those numbers represent the pieces of paper that we think of as REAL money.

So let's consider those pieces of paper. Are they worth anything by themselves?

If you tore up a \$10 note or melted down \$10 in coins you would quickly lose the \$10. **The paper and the coins are NOT WORTH \$10.** They may only be worth a few cents.

\$10 worth of gold, melted, flattened or made into the shape of a pumpkin is still worth \$10. But not so with the notes and coins we use for money.

Those pieces of paper which we have such high regard for are only "**promises**" to give value. They don't have value in themselves.

Promise to Pay

Your government promises to give value for the paper and coins they make as money. Because you believe the "promise" you then accept the money and you pass it on to others. You never make the government keep its promise, because you don't need to. You only use that money to get what you want by buying things.

What makes the money of value to us is that it brings value to us.

We can use a \$10 note to buy \$10 worth of food or goods.

Now, if someone gave you a coupon to get 2 meals for the price of one, is that money? You will probably say “No”. If you don’t want to buy a meal at all the coupon is of no value to you. You may throw it away.

But if you intended to go to that shop and buy 2 meals worth \$20 each, then that coupon is worth \$20 in money to you! It will bring you \$20 worth of value, just the same as a \$20 note. So, to you, that coupon is worth as much as a \$20 note. It is effectively “money” for you. It is of value to you because it brings value to you.

Coupons

You could have no money, but live like a king, better off than all the others with money in their pockets, if you had the right coupons. If you had coupons for all the petrol you need, all the food you need, all the clothes you need, your electricity, water and gas, your phones, entertainment, travel and so on, then would not need money.

So, aren’t those coupons actually “money” to you? Your mind immediately compares shop coupons to the official money you use and it tells you that coupons are NOT money.

In reality your “money” is only a “coupon”. It’s just a piece of paper confirming an offer of some kind which you can take advantage of.

Credit Coupons and IOU Coupons

If someone gave you a coupon giving you \$20 worth of goods from Store ‘A’ that coupon would be as good as money. If you didn’t want to buy from Store ‘A’ you could swap the \$20 coupon at another store where the people did want to get \$20 of value at Store ‘A’.

If Store ‘A’ was a popular place to shop then most people may be happy to have that coupon.

So, during the day the coupon may change hands 100 times as different people swap it for \$20 worth of value, just as if it was a \$20 bill. And there you see that the coupon is money. It is a medium of exchange, just like a \$20 bill, happily received and traded for \$20 value.

That kind of coupon I call a **Credit Coupon**. It gives the holder \$20 worth of Credit, or buying power, at Store 'A'.

Now if someone who had plenty of money gave an IOU (I owe you) promising to pay \$20 to someone, that person could swap that IOU for \$20 worth of goods to another person who was happy to go and collect the \$20.

Similarly, if everyone had confidence in the person who made the promise, the \$20 IOU could be swapped around all year, before anyone went and claimed the \$20. It would be traded just as if it was a \$20 note. Let's call that an IOU Coupon.

And do you see that **an IOU Coupon is money**. It is a medium of exchange, just like a \$20 bill, happily received and traded for \$20 value.

Big Value Contracts

When a company gets a huge order to build or supply something that order is a guarantee that they will make money. The company can then take the order to a bank and get money to buy or build the thing that has been ordered, because the "order" itself has value.

The contract is just a piece of paper with some names on it, but it proves that the goods will be paid for when supplied. So the piece of paper, created by some company and signed by people who never worked in a bank, becomes the equivalent of "money".

It has great value. It isn't traded from person to person every day, but it is accepted by the bank as being worth the money the company needs to fulfil the contract.

So, isn't that contract another form of "money"?

You may be surprised to know that documents made by companies have been used as money for centuries. They are called such things as **Bills of Exchange, Warrants and Promissory Notes**.

Putting a signature on such a document causes it to have value and it can then be traded **for** money or traded **as** money.

So, have a look at the notes you think of as "money" and see that someone has put their signature on it. It is authorised by a signature, just like a **Promissory Note**.

Credit is Money

I mentioned the Credit Coupon earlier and showed that it could be used exactly like money. If people want the coupon and believe it will be honoured, they will happily trade it, just like they would happily give or receive a \$20 bill in exchange for goods.

If I gave you \$100 credit at a café, then you would be able to go there and buy \$100 worth of food and drink, without spending any of the money in your pocket. The credit works just like the money.

So Credit is Money.

The \$100 credit I give you at the café may be described simply as credit. "I'm giving you \$100 credit at my friend's café. Go and enjoy yourself."

Or I might describe it as a loan. "I'm giving you \$100 credit at my friend's café. Go and enjoy yourself. And for each dollar of that credit that you spend you will owe me a dollar. So go and eat now, and pay me later when you have the money."

The \$100 credit that I give you might cost me \$100, because my friend is very exact about such things. Or it may be at cost, so it might only cost me about \$50. Or it may be that my friend will give that \$100 value for no charge to me. Whatever my arrangement with my friend all you know is that I have given you \$100 credit.

The Credit Game

My son Daniel suggested a simple way to show that loans and credit create money. Imagine a town where there are five people and only \$1,000 in total currency. Adam holds the \$1,000 and is afraid to spend it, so he keeps it in his pocket.

Bill has a workshop but no-one can buy his services. Cassie has a shop but no-one can buy anything. Dave has a business but no-one can be his customer. Ellie wants to buy some things but has no money. Adam has gummed up the whole economy by holding all the money in his pocket.

Then Bill offers Cassie, Dave and Ellie \$1,000 CREDIT each, if they will each give him \$1,000 credit too. Everyone likes this idea and they all agree to give each other CREDIT.

At the end of the month Bill has sold \$3,000 worth of services and bought as much. And the same is true for Cassie, Dave and Ellie. So how much money was in the economy? There is only \$1,000 of cash money, but over \$10,000 worth of business was done, or money was spent, without touching the \$1,000 in Adam's pocket.

By offering Credit NEW MONEY was created.

Can You Create Money?

If I told you that you can create money out of nothing you would think I was Mad! You probably feel that getting a fist full of dollars is hard work. You got an education and a career and you strive to get ahead financially. Surely you can't create money, or you would now be out of the rat race.

But think about it. Bill, Cassie, Dave and Ellie were all able to create money by giving each other Credit. Their own promises to each other released over \$10,000 of spending power. By simply making a promise, new money was created.

And that's a major way that new money is created around the world – by promises. Promissory Notes are a major source of money in today's world. Even the currency you carry in your pocket is simply a "promise to pay".

Banks Create Money Out of Nothing!

Believe it or not, banks create money out of NOTHING!

We saw how CREDIT entries create new money, and banks simply make credit entries into their accounts to **create new money out of thin air.**

This will be explored further in Part Five about BankWatch but for now let me quote Dutch expert **Frans Doorman MSc PhD,**

"But being nothing more than a concept money can, in principle, be created or destroyed at will. Most of the money going round in the world today does not even exist physically: it does not take the form of either coins or paper money. It only appears in "the books" or, nowadays, the memory chips of computers. A simple statement by the financial authorities should, in principle, be sufficient to create any amount of money. "

PART THREE: Exposing Lies

Your Signature

We have seen that money can be created out of nothing. And in order to do that the banks rely on your signature as the authority to use their “money out of nothing” power. A basic lie at the heart of all lending relates to what I’ve been saying about the creation of money. **If you put your “signature” on a document, such as a Promissory Note, then new money is created.**

Banks know this, but they don’t want YOU to know it. **They deceive you** that the “loan contract” they want you to “sign” is mere “paperwork”. **Instead, the document bearing your signature is a Financial Instrument.**

The Bank knows the inside story which it has kept away from you and so it takes your “paperwork” and sells it for a profit, without ever letting you know. I’ll explore the selling of your contract a little later, but be sure they **do** sell your “loan contract” for a pretty profit.

The fact that they can sell it for a profit proves the paperwork has value they never told you about. **And that means your signature on a piece of paper turned that piece of paper into something of great value.**

Just as the paper currency in your pocket has been signed by someone, promising to pay, and thus creating “money”, your promise to pay, signed by you, also creates something of value. You are a super BANKER! You can create money simply by signing your name on a document.

Sign on the Dotted Line

If you refuse to sign the document the bank cannot sell that document to investors for a profit. No matter how big the bank is, it needs YOUR SIGNATURE on a document to create new money. And I’ll give you plenty of info later to show that a loan is “new money” created by your signature.

You are a sovereign being, with the power to create money. So the bank tricks you into giving them the loan “paperwork”, deceiving you that it has

no value in itself, **then the bank sells the contract for more money than you asked for.**

But who created the value? If it was created by your signature then **YOU CREATED THE VALUE.** Your signature created money.

And that means that when the bank takes the 'paperwork' from you, knowing it has great value, **they should give you a Credit for the Deposit of that amazing piece of paper.**

Do they do that? Did they give you a Receipt for the Deposit of your Financial Instrument?

Your Bank Credit

By depositing something of value with a bank you have a Credit with the Bank.

But banks never admit that you now have a huge credit with them. They make you think the "contract" has put you under obligation to them and under severe risk of penalty if you don't pay. **They don't tell you THEY are under obligation to you, for the full value of what you created by your signature.** They owe you the full value of what you deposited with them, **otherwise they are stealing it from you, and that's Fraud.**

"The Borrower is servant to the Lender" Proverbs 22:7 – and the bank borrowed something of great value from you. So who is the servant in the relationship?

The Bank is YOUR SERVANT, under obligation to YOU!

The T Ledger

Accountants understand that your bank is required by Accepted Accounting Practices (GAAP or which ever applies in your country) to have a zero balance on their T ledger, showing assets that match their liabilities. Check this out by asking your accountant.

When the bank takes your "loan contract", which is really a Financial Instrument, it is an Asset for you and a Liability for the bank.

THEY OWE YOU the full value of that deposit.

But, as we've said already, **Banks Lie!**

They never want you to see that T Ledger which shows the matching principle. So they create a Loan Account or similar statement which only shows a snippet of the T Ledger, giving the impression you have an obligation to the bank to repay a 'loan', not showing their obligation to you for what you gave them.

Banks use "off balance sheet accounting" and other means to hide the truth about your deposit with them. They hide the fact that they owe you for depositing your Financial Instrument with them.

It's Fraud and Deception.

Selling Your Signature

To simplify an explanation for those who can't believe their signature has created value, let's consider what often happens between financial organisations.

When you take out a loan for \$100,000 over thirty years you will likely end up paying at least 250% of the loan, due to interest over that period of time. So the bank will get back the \$100,000 plus another \$150,000 over thirty years.

But if the bank doesn't want to wait the full thirty years or wants the money more quickly, they might sell the deal to an investor, and give them a discount. Let's say they sold the 'loan' to someone for \$180,000. The new buyer will still earn \$70,000 over the thirty years, and the original lender has now made a cool \$80,000 quick profit.

Even if they sold it for \$120,000 they have made a quick profit of \$20,000.

What the original lender sells to the other bank is your signature. Your guarantee to pay is worth \$150,000 of clear profit.

Now, when an artist creates a painting worth \$150,000 how much should he get for it? If a builder erects a structure worth \$150,000 how much should he get paid for it?

When you create an asset worth \$150,000 how much should you get paid for it?

Nothing?

Or worse still, should you end up paying someone for what you created?

Surprise Payout

I am in communication with a Melbourne woman approached by an Aussie bank to re-sign documents for her home loan. She had a loan for \$80,000 and the bank said they had lost the paperwork (after less than one year!). They wanted her to sign a new contract, but she refused to do so.

Then last week she discovered a mystery deposit of \$120,000 made into her account.

Did the bank realise it had to clear up the “irregularities” by crediting her with the money it made from selling her “contract”?

I am still looking into this matter, but it is amazing and intriguing.

If your bank asks you to sign NEW documents DON'T DO IT!

Look at Your Loan

I trust you are getting the picture that your lender is probably not telling you the whole truth about the financial relationship they have with you. So, let's look at another lie they tell you.

Have a look at your “loan contract” and tell me who signed it. Most likely you (and your spouse) and a witness are the only ones who signed the document. There may be a signature from the lender on the Terms and Conditions document, but on what they call the “Loan Contract” do you see the signature of both parties? Do you see the bank's signature?

A contract is between at least two parties, isn't it?

- So why do they not sign it too?
- If they do not sign it, are they really a “Party” to the contract?

The reason the lender does not sign the contract is because **it is NOT a Contract. It is a Financial Instrument**, such as a Promissory Note or a Bill of Exchange. While a contract is non-transferable, the documents you sign will be sold off to others. They are a “negotiable” instrument, like a cheque (check) from your chequebook.

- Why does the bank call it a “**Loan Contract**” if it is not a loan contract?
- Why do they lie to you about what the document is?

- Why don't they tell you that you are creating a Financial Instrument which is worth about 250% of the money you are requesting?

If they told you that you created a valuable Financial Instrument you would immediately know that the transaction is **NOT A LOAN**. You would see:

- that it is a financial transaction where you deposit something of value and some of that value is put into your account for you to use
- that there is no way in the world you should pay them interest for using your own money
- that they have no right to charge you interest, or fees or to take any foreclosure action to get your home off you.

Lies and Deception

- Did your lender tell you they would sell your signature for a profit?
- Did your lender give you the impression that they were giving you money that they owned, as a true 'loan' to you, and your loan contract was to make sure you didn't rip them off?
- Did your lender tell you they would dispose of the loan contract for a quick profit?
- Did your lender tell you they had no interest in a long-term relationship with you, but wanted to make a quick buck out of stitching you up into a 'loan' agreement that they would sell off?

Mortgage Your Home

When you went to the bank for a home loan the bank required a mortgage over your property. Why did they want that?

The answer you have been trained to come up with is, "So they can sell the home if I don't make the payments."

- Now, if they never loaned you money, but simply gave you some of the value you created with your signature, why do they need to sell your home?
- If there was no true "loan" then why would they need to sell your home?

- If you made a deposit of a Promissory Note (your 'loan' paperwork) and they gave you a credit against that deposit, then why would they need to sell your home?

They don't NEED you to mortgage your home. But they WANT the title to your home.

They want to steal your wealth from you and make more for themselves.

What they can do with your property title is put it into their list of assets, so they can lend more money to people based on the value of their asset holdings. Apart from what they do with your other "paperwork" they make a profit out of your property title. And they never give you one cent of that profit.

- Did your bank ever explain that they would make a profit from holding your title?
- Did they ever offer a profit sharing deal with you, maybe to offset your payments?
- Did they ever tell you that you don't really need to give them a mortgage?

Statement of Account

I mentioned the Bank's **T Ledger** earlier and I want to prompt you to think about the official paperwork the bank uses to fool you.

Your bank sends you a **Statement** of your account. **But what "account" are they describing?**

It's a "statement" complete with money in and money out. It gives you a clear picture of what has happened in the account over the month or so described in the statement.

It's an official bank document. It shows you are ahead or behind.

But what account are they describing?

AND

What is a "statement" anyway?

The statement you are sent from the bank is a "**Statement of Account**". That means it only describes the bank's view of a specific account. **It is NOT a statement describing the whole of your financial relationship with them**, but just one set of records related to a specific numbered transaction account.

This is made most clear when you have multiple accounts with a bank, such as a company might have. They get a separate statement for each account.

To get a more complete picture of their financial situation a company accountant has to bring together information from various “accounts”.

So don't be fooled by that Statement of Account. It only describes a limited view of what the bank has set up as your “loan account”. The bank presents you with only that limited set of information because they want to fool you to thinking it represents the whole of your financial status with them.

That account does **not** represent the totality of your financial dealings with the bank. For example, if your “loan contract” is in fact a **Financial Instrument** deposited for value and entered into the bank's T Ledger, as I described earlier, that will NOT be reflected on the **Statement of Account**. That deposit is deemed by the bank to be in a different account, which they will never show you.

Are you being fooled by the Statements sent to you by your bank?

Statement Versus Invoice

Your bank sends you a Statement which many people may mistake for an Invoice. The two things are not the same and have different legal implications.

A **statement** is the bank's description of records they keep of money in and out of a particular account. It is nothing more than a claim which can be challenged. Your records might show something different to the bank's records.

But an **Invoice** is described by **Black's Law Dictionary** as ***“An itemized list of goods or services furnished by a seller to a buyer, usu. specifying the price and terms of sale; a bill of costs.”***

An Invoice describes *“goods or services furnished by a seller to a buyer”*. It describes “costs” which the issuer has incurred and which the recipient is due to pay for. It is a very different matter to a Statement.

You do not need to pay any money based on a Statement. **A Statement** makes no legal claim that goods or services were provided. It simply describes the accounting records kept by someone.

An Invoice, however, represents a legal obligation to complete a transaction based on supply of goods or services. If you have not paid, but have received the goods or services, you are under legal and moral obligation to rectify the matter.

Company accountants would normally require an Invoice for each item listed in a Statement, to prove that the goods or services were truly delivered at the price itemised in the Statement. The Invoice is more important than the Statement.

- **Why has your bank NEVER sent you an Invoice?**
- Why does your bank insist that you pay them money when they will never give you an invoice for the “goods or services” they have provided?
- If the bank will not issue you an Invoice, does that not confirm that they never provided you any “goods or services” but are just hoping you don’t realise that?
- Are you being fooled by your bank into making payments they are not lawfully able to demand?

The Café Account

To amplify the **distinction between a Statement and an Invoice** consider this scenario. You do work for a man to the value of \$1,000. He offers to pay you by giving you \$1,000 credit at his café. You accept the offer and become a regular customer of the café, having breakfast there several days a week.

To keep track of the \$1,000 amount of credit the man has you sign for the amount you ‘spend’ with him each visit. An account is kept of the amount of food you have bought.

When the man dies suddenly his wife takes over the business and finds the account statement which shows you have eaten \$600 worth of food and drink and have not paid for it. She brings the Statement of Account to you and is most upset, since she could well do with the \$600 she thinks you owe her.

You try to explain the situation to the lady but she won’t believe you, so she calls her accountant to talk with you.

When you tell the accountant that the record kept by the owner is just a **Statement of Account** of the money you spent, but it does not include the credit you have for previous services to the owner the accountant checks the records and finds there is no mention of the credit. It was a verbal agreement not documented.

The accountant threatens to take you to court and to use the meticulously maintained Statement of Account as evidence of what you owe.

Now tell me, do you really owe \$600 to the shop? The shop records show that you owe \$600. You even signed each docket, confirming those bills are definitely yours. It's an open and such case.

But you don't owe them \$600. In fact, the shop still owes you \$400. So how do you resolve the matter?

You fix the problem by reverting to Invoices.

You send an Invoice to the shop for \$1,000, detailing the "goods and services" you provided, with the date and other relevant details. When the accountant sees that Invoice he then issues an Invoice to you from the shop detailing the \$600 worth of goods and services they supplied to you.

Now the matter is clear. The shop owner owes you \$400. She may even be happy for you to come along and dine regularly until you have "eaten up" that credit. It's sure better for her than having to find \$400 on the spot.

Invoice Your Bank

Maybe what you need to do is invoice your bank for the full face value of the "loan contract" amount you applied for. What you deposited with them is worth more than that, since they sell the "contract" for more than that, but at least you will have a start in balancing the books with the bank.

It is then up to the bank to provide you with an "invoice" for the "goods or services" they have provided you. And it will be interesting to see what they could possibly list on such an invoice.

PART FOUR: Moral Outrage

Feeling Obligated

Most people I know are basically honest and they carry a strong sense of responsibility to “do the right thing”. Australians are not known for lying, cheating and stealing. In fact we are seen as a people who are easy to manipulate. We offer little resistance to those who would take advantage of us. We prefer a quiet life to fighting for our rights. And if we think we have an obligation we generally do what is right.

That’s why most of my friends struggle with the idea of NOT paying a mortgage. They feel incredibly burdened by a sense of moral responsibility to honour the contract and make the payments, or take the consequences when they can’t pay. They lie down and let the bank control them and take their property.

When the Bank lies to us that we have a “contract” with them it exploits our sense of honesty and responsibility.

Banks make us feel guilty, while they lie, cheat, steal and commit Fraud!

Among my Christian friends the sense that a contract must be honoured, **even if it is flawed**, is surprisingly high. So, please, stop and see what is really going on. You are being exploited and manipulated through your sense of moral responsibility. **Don’t stop being moral and responsible, but also don’t accept lies as if they are truth.** And don’t let some bully force you to buy his lunch, just because he tricked you.

The TRUTH sets people free, while the devil comes to “steal, kill and destroy”.

Moral Compass

Let’s address some of those thoughts and feelings you may be struggling with. Some readers will feel offended that anyone would not make their mortgage payments.

I have withheld my payments, demanding that Macquarie Bank and Perpetual Limited tell me the truth about the financial relationship they call a “loan”. I don’t believe it is a true loan and I am confident they have on-sold their rights to others. I am confident that they have committed crimes and that I am a victim of their deliberate strategy to exploit me.

But I have heard comments like, “Why doesn’t he just pay what he owes?” Some people are offended that I and others are challenging the banks.

So let’s explore what we could call the “moral compass” we each have within us. We each have different settings on our compass and that causes some to react entirely differently to others. Exploring this might help you accept the information in the following pages.

Different Responses

How do you respond to the following statements?

“He has a friend who gets him off speeding fines.”

“She has her eyes on my husband.”

“My brother stole my inheritance.”

“I taught my daughter how to shoplift without being caught.”

“I steal from the company because they can afford it.”

“He drove off at high speed on the wrong side of the road.”

Some might react to these statements with, “Who cares? It’s none of my business.” Others might become highly aroused and ready to take action over one or other of them.

Some might say that being able to get off speeding fines is great, while others feel it is SO UNFAIR that someone gets off when THEY don’t.

The way you react to things is based on the settings of your moral compass. You may be highly moral and even rigid about right and wrong, or you might be happy to break any and every rule if it is to your advantage.

When you feel outrage, anger or some similar negative reaction to what others are doing it reveals the settings on your moral compass. And your settings may be completely wrong. You may be driven by revenge, hatred, resentment, unforgiveness or shame. Or you may be driven by greed, self interest, addiction or pride. And there are many other possibilities too.

Australians are Basically Honest

I said earlier that Australians are basically honest and we believe in doing the right thing and giving a person a fair go. We generally take things on the chin and accept our responsibilities reasonably well.

So when we hear that someone has stopped paying their mortgage the first sense from our moral compass is that the person is doing the wrong thing. **That initial response can shut down our ability to learn what is really going on.**

That is a weakness among all humans, including Australians. We can get an idea in our head and be more determined to press our point of view than to find out if we are right. We can be quite unteachable at times. Once we have an opinion we can hold to it dearly despite the evidence.

Before you let your reactions take over, try to keep an open mind, and please keep an eye on your moral compass. If the settings are wrong be willing to readjust them.

Moral Outrage

Follow this fictional dialogue and see if you can see where someone has let their moral compass get in the way.

“I am sure my bank is lying to me so I am withholding payments until they tell me the truth.”

“But you signed a CONTRACT so you HAVE to pay.”

“No. It wasn't a true contract. I believe the bank is lying to me and committing Fraud.”

“But you SIGNED it! So you HAVE to pay.”

“No. They have to prove they have a REAL contract with me and have lawful rights to make demands, then I'll pay.”

“I think you're just trying to get out of paying your bills. I pay MY bills. Why shouldn't you pay yours?”

“I DO pay my bills! But I don't pay people I don't owe money to.”

“But they're a BANK. Of course you owe money to them!”

“Then the bank will be able to prove that, won’t they? I asked them to and they refuse to do so.”

“But you SIGNED a CONTRACT. You HAVE to pay.”

Rights and Wrongs

In the mind of the person reacting in that dialogue it does not seem to matter what the banks do. It is as if the banks are absolved and it is impossible to think the banks do wrong.

They were also offended on the selfish thought that “I pay MY bills” so you should pay yours. This is an emotional motivation, based on a sense of personal injustice and jealousy.

I remember a student being promoted an extra grade at primary school and other students saying “That’s unfair”. It was only “unfair” to them because they didn’t get the advantage. If they were being promoted they would not think it unfair. It’s a selfish perception based on jealousy, even if a commonly human response.

Moral Balance

Let’s see if I can create a moral balance for you.

I am withholding payments to the bank asking that they prove the true nature of the financial relationship. I am happy to pay them and meet my obligations, but ONLY IF AND WHEN THEY PROVE THEY HAVE RIGHTS to demand anything. It is not criminal to ask for “full disclosure” or proof of “due performance” or “further and better particulars”.

The bank is **lying** to me, committing **fraud**, **stealing** my property, **exploiting** me, making a debt slave of me **without** lawful right to do so, **intimidating** me with **threats** of foreclosure, and keen to be throw me out of my home for **unjust enrichment**.

Now, who is the evil person in that scenario? I am willing to pay, but the banks are not willing to tell the truth or prove their claims. They are using the courts to attack me.

Yet, funnily enough, many people just cannot believe the banks are anything but pillars of virtue and that I must be a criminal for daring to challenge them.

What a funny world!

When I went to court and demanded that the bank prove its claims, the court rejected my demands. The court stood by the bank, let the bank make unsubstantiated claims and blocked my appeals for justice. That's why the follow up to this booklet is titled "**Courts Deny Justice!**"

Injustice is the Name of the Game

Last week I met Serena, who had gone to court last April and gained a ruling that her bank had to provide a bunch of documents to prove its claims. The bank not only did not produce any of the documents it was **ordered by the court to produce**, but after about six months filed again in the court, before a different justice, to get summary judgment against her.

The court had already told the bank what to do, but the bank did not like it, and like a self-willed schoolboy, they simply went back to court to find a friendly justice who would give them what they wanted.

And the fact that they did not provide the documents ordered by the court is highly suspicious and essentially an admission that they do not have those documents, and thus do not have the right to make lawful claims against their victim.

Serena phoned me on Wednesday to advise that the bank got its Summary Judgement against her.

**When it comes to the banks, "Injustice is the name of the game!"
These guys are crooks!**

PART FIVE: BankWatch

Operation BankWatch

Back in the late 1980's **Operation BankWatch** was created in Australia in reaction to banks taking farms off families after talking farmers into easy loans a few years earlier.

What Operation BankWatch uncovered was that **the amount of money in Australia increased each year to the same amount as the number of new loans made that year**. In other words the **loans CREATED the money**.

Bank loans were **not** passing one person's money to the borrower, but involved the **borrower** CREATING new money which they were able to use.

Now, that means there was (and is) some hefty lying going on.

- If the borrower created the money then why in the world was the borrower **led to believe** it was someone else's money?
- Why was the borrower paying interest on money **he** had created?
- Why was a bank taking the family farm as penalty for someone not paying back their **own** money?

Official Figures

Here are the official figures from the **Reserve Bank of Australia's "Bulletin"**, (August, 1989), as quoted by **Operation BankWatch**. On June 30 1988 all the Australian dollars in existence totalled 130.2 billion. Exactly one year later, June 30 1989, there were 165 billion of them. There were an extra 34.8 billion Australian dollars in existence. Where did they come from?

They were simply created in the banking system by extending extra credit to people. Well that's okay. We need a mechanism. It's a very simple, efficient, well-organised system.

But should the banks then keep all the proceeds? They do now!

If you doubt whether the banks kept the money we only have to refer again to the Reserve Bank Bulletin of August, 1989. In that same financial year, at 30th June 1988, trading and savings bank assets were \$217.8 billion. At the end of the financial year, in June 1989, they totalled \$267.9 billion. Bank assets, in one year, increased by \$50.1 billion dollars. And the Reserve Bank tells us that loans increased by over \$50 billion that year.

Got it? **Banks gave \$50 billion in new loans, and bank assets went UP by \$50 billion.**

The banks make loans and their assets INCREASE! If **you** loaned money to someone your assets wouldn't **increase**. Why do bank assets **increase** when they loan money? **Because they steal your financial instrument and claim it as their asset.** You see, Banks Lie!

Your loan contract created new wealth for the bank, when that new wealth actually belongs to YOU! Why is the bank **stealing your Financial Instrument** and keeping it for its own profit?

We've Got the Money

A cute TV ad I remember seeing in Sydney decades ago had a cartoon group of singers singing "**We've Got the Money**" and inviting people to contact NRMA Finance "and ask us for the dough". The brainwashing message is "if you want to borrow money you have to go to someone who HAS the money in the first place". Is that true?

The truth is that YOU CREATE THE MONEY with your signature on a Promissory Note. So the bank doesn't need to have any money at all to offer you a huge "loan".

When new loans are made NEW MONEY is created.

1937 Royal Commission

Operation BankWatch of the late 1980's pointed to a Royal Commission showing that wealth is created by credit (loans).

It has been clearly established, in Australia and other countries, that the banking system creates credit. In 1937 an **Australian Royal Commission** investigated Finance and Banking. In his summing up, the **Chairman, Sir Mellis Napier**, of the Royal Commission stated,

*“That the Commonwealth Bank (Reserve) can make money available to Governments or to others on such terms as it chooses even by way of a **loan without interest** or even **without requiring either interest or repayment of principal.**”*

Note that the creation of Credit did not necessitate that the “loan” was ever repaid. The idea that a created credit entry, such as modern banks give to their “borrowers”, has to be repaid is unsound, but we have all been brainwashed into thinking that not to pay that loan is criminal theft on our part.

Let me quote again that the **1937 Royal Commission into Finance and Banking** found that money could be made available as a loan “without requiring either INTEREST or REPAYMENT OF PRINCIPAL”.

Imagine how we could advance productivity and our standard of living if that finding were to be put into practice.

The Power to Make things Possible

Operation BankWatch goes on to explain that governments have the power to create the credit needed to advance their nation. They quote British historian, **Sir Arthur Bryant**, who had a clear understanding of the use of new credits. In “The Illustrated London News”, March 1983, Bryant wrote:

“To exercise the right inherent in every sovereign state of creating and issuing a sufficiency of money to make financially possible what is physically possible and morally desirable, would enable as much real wealth to be brought into existence as, with its immense inventive and scientific potentialities, the nation is capable of making. It would give Government a freedom of action which its present dependence on borrowed money denies it.”

Money Out of Nothing

Mark Mansfield B.Ec. wrote in his article titled “**Manufacturing Money**”, that

“Banks grow the money supply every time they claim to lend money. I say claim to lend money, because banks do not really lend money.

*When money is borrowed from a bank, **the bank actually creates new money or credit out of nothing.***

Ref: <http://www.sosnews.org/library/banks/making.htm>

George Dimitriou writes in *The People Vs The Banks*, for **Nemesis Magazine**:

*"The great deception ... is ... the **creation of money 'out of thin air'**. It remains as an insidious truth that the vast majority of people remain blissfully unaware of the fact that **when banks lend money, they in fact create most of it with the scribble of a pen at no cost to themselves**. Adding to this already **heinous fraud**, they then add an inordinate interest charge for the use of that money - money which for all intents and purposes does not physically exist."*

Sir Josiah Stamp, director of the **Bank of England** during the years 1928-1941, stated thus in regard to 'banking':

"The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented."

Ref: <http://nemesis.alphalink.com.au/banks.html>

What Did Your Bank Tell You?

- Did your bank tell you it created money for you "out of nothing" and that since they created it by merely typing a few figures into a computer there is no need for you to ever pay it back?
- Did your bank tell you that what they call a "loan" was made "out of thin air" and is thus not a loan of their assets at all, and thus it would be criminal for them to make you pay interest on that money?
- Did your bank tell you that their dealings with you are really just an "astounding piece of sleight of hand" and heinous fraud and that you are a fool for believing them?
- Or did they intimidate you, coerce you to contract under false pretences, make fraudulent claims against you, deceive you into believing you are under their power and make usurious charges upon you for their own unjust enrichment?

PART SIX: Securitisation

Mortgage Backed Securities

Banks sell off your signature to investors. This is referred to as “securitisation” of the loan. Home loans and mortgages are sold off to investors as securities and investors find them attractive because the investments are backed by real estate. A **Residential Mortgage Backed Security (RMBS)** sounds like a safe investment.

Investors are so keen to have mortgage backed securities that lenders have been over eager to stitch people up with loans, which they then quickly sell for a profit.

The 2008 **Global Financial Crisis (GFC)** was triggered to large degree by lenders giving home loans worth more than the value of the house to people who were unlikely to repay. It has been said that all you had to do to get a home loan was to fog a mirror (have breath).

These risky loans were called **sub-prime lending**. These loans were bundled into huge investment pools and sold in small bits to multiple investors around the world.

There was such high demand for mortgage backed securities that when the market collapsed there was an immediate push to get people out of their homes so new buyers would take out new loans, to create more mortgage backed securities to quickly sell to the hungry investor market. There was a feeding frenzy on mortgage backed securities.

Banks Did Not Lose

While the GFC led to some banks being swallowed up by others, much of the pain of the financial collapse was felt by institutional investors, such as superannuation funds and other investor groups that bought the mortgage backed securities.

Banks who had quickly on-sold their risky home loans to investors made their quick 60% or more profit, while they hand-balled the risk to institutions

and to the life savings of the working man. It was a clever strategy to take money from the man on the street (through their superannuation and other investment pools) and put that into the hands of the banks.

Your Lender

It has been said that when **WAMU (Washington Mutual Bank)** was taken over in the wash of the GFC its asset listing did not include any home mortgages. All of its mortgages had already been sold to investors. Yet WAMU was still collecting money from people who believed they had a mortgage with them. I have not yet confirmed that claim, but it does raise serious questions.

- Has your lender at any time disclosed to you proof that they still own your home loan?
- Have they ever told you that they have sold part or all of your mortgage to anyone else?
- Would they tell you if they had?
- Do they have the right to demand interest payments, or to charge you penalty fees for late payment, or to take your home off you if you do not pay?
- They act as if they have those rights, but are they telling you the truth?
- Is your bank taking advantage of your ignorance and your disposition to feel obligation?
- Since all banks make easy money by securitising home loans why would your bank not have done so too?

Dire Warning

Pelma Jacinth Rajapakse is an Australian academic who gained her PhD researching securitisation in Australia. She wrote in the **University of NSW Law Journal** in 2006 about “*the risk that borrowers might find their homes sold by downstream financial intermediaries who have ‘purchased’ their bank’s or independent mortgage provider’s mortgagee rights.*” She adds “**This is not because of a failure to pay on the part of the**

borrowers” but could be because the new ‘owner’ of the mortgage falls on hard times or otherwise needs the cash.”

What Rajapakse is exposing is that most mortgages are on-sold. Yet you probably have no idea whether your mortgage has been sold, or to whom and for how much. All you know is that if you miss a payment you are hit with penalties.

- Has your bank warned you of the serious risk they have put you under by selling off your loan and mortgage contracts?

Tell Me The Truth

When I asked **Macquarie Mortgages for the truth**, knowing they are a leader in mortgage securitisation, they ignored my requests. Why would they not tell the truth unless the truth is bad for them to admit? I have no reason to doubt that Macquarie Mortgages and Perpetual Limited have sold my mortgage for profit and have absolutely NO RIGHTS to make any demands of me for interest, penalty fees or to claim my family home.

The obligations I have are not to thieves and liars engaged in fraud. I will do the right thing and pay the people who can prove they really own the rights to my supposed “loan”.

The Bible does not tell me to pay the devil just because the devil tricked me. And I think that applies to anyone else who deceives me, including Macquarie Bank and Perpetual Limited.

Foreclosures Gone Wild

Citibank released a document titled “**Foreclosures Gone Wild**” in October 2010 exposing the mess that securitisation has made of home loans.

*“When a mortgage is securitized and placed in a mortgage pool, there are typically **four parties involved**. The mortgage bank or lender originates a mortgage and then sells it to a “sponsor” who in turn sells it to a “depositor” who then sells it to the “trust” which governs the pool. Importantly, as noted above, the original paperwork must be transferred at each step of the process.*

*It now appears that **in many cases (1) the paperwork was not properly transferred and (2) it is unclear in many cases where the actual paperwork actually rests today.***

DailyFinance makes this comment on Citibank's admissions:

*"The key consequence of not transferring the mortgages properly in the securitization process is a **broken chain of title**, which in turn makes foreclosure -- or indeed any other transfer of ownership of the property -- deeply problematic. That's doubly true now that many of the mortgage originators are out of business."*

Broken Chain of Title

What is "deeply problematic" about a "broken chain of title" is that you will probably never find out who really owns your home loan and who REALLY should be paid.

In its greed to exploit home owners and then to exploit unwise investors, the banks have hurried into the business of securitising home loans and other things as well. But in their haste and as a result of their various schemes to maximise the amount paid to them by investors, **they have lost track of who really owns many of the mortgages.** There is a broken chain of title.

If no one can prove they truly hold title to something, then who owns it?

What rights does anyone have to claim something from you when **none of them can prove they have any rights?**

Would you pay just anyone who demanded money of you, when you knew they could not prove they had any rights to anything? I don't think you would.

- Did your bank tell you that they don't know who really owns your home loan?
- Did your bank fraudulently keep acting as if IT owned the loan when there is absolutely no way it can ever find out who really does own your loan?

If your bank can't prove it really owns the loan then its actions in taking money from you are **out and out FRAUD!**

PART SEVEN: Something For Nothing

Why Do You Pay Them?

Your actions in paying your bank for nothing, when it has no right to make any claim on you whatsoever, are up to you. But **you** won't pay **my** phone bill for me, or maintain **my** car, or pay for **someone else's** groceries each week, just because **they** expect you to, so **why** do you pay a **bank** that has **no right** to the money?

If you received my phone bill in the mail you'd jack up immediately. "I'm not paying this! It's not MY bill! I didn't make these calls." If you received a bill from a company charging you for services you never bought you'd be quick to phone them and protest. You might even call the cops or get a lawyer to write a threatening letter.

So, why do you pay a bank that has no right to the money?

Maybe it's because they have brainwashed us all with enough FEAR that we would rather pay them anyway, like people paying the Mafia standover merchant, just so they can have some hope of a quiet life.

No one in their right mind would want the might of the bank coming against them! (Which does call into question my sanity, doesn't it?)

Privity of Contract

For those of you who are still unconvinced, and who feel compelled to believe the bank tied you up with a REAL contract and you are morally bound to fulfil every element of the "contract", here is something to consider.

Since banks call your mortgage lending arrangement a "**loan contract**" it is interesting to note what happens when a 'contract' is sold to someone else. A key consideration is "**Privity of Contract**".

*"It is an elementary principle of English law — known as the doctrine of 'Privity of Contract' - that **contractual rights and duties only affect***

the parties to a contract.” P.S. Atiyah, *An Introduction to the Law of Contract* 265 (3d ed. 1981).

“The doctrine of privity means that a person cannot acquire rights or be subject to liabilities arising under a contract to which he is not a party.” G.H. Treitel, *The Law of Contract* 538 (8th ed. 1991).

Your lender claims they created a ‘loan contract’ with you, but through securitisation those ‘contracts’ are sold off to others who might come and claim your house, even if you have made all the right payments to your lender.

But **Privity of Contract** shows that a **third party cannot buy a contract** and get any rights at all. They are not a party to the contract and never signed the contract document with you. So, if your lender has sold your ‘loan’ to someone else then hasn’t the whole “contract” been compromised? Haven’t the rights to the contract been lost?

Alternatively, doesn’t the on-selling of your supposed ‘contract’ prove that it is NOT A CONTRACT at all, but a Financial Instrument of some kind?

- Did your bank discuss with you what would happen if they sold your ‘loan’ to someone else?
- And if a third party cannot claim any rights in the contract, how about your bank which didn’t even sign the contract?
- How can they claim to be a PARTY to the contract if they did not sign the contract?
- They are excluded by “privity of contract” because they are not a “party to the contract”.

That’s why we call those documents an “**alleged contract**”. It is alleged to be a contract by the bank, but a Financial Instrument by any other name is still a Financial Instrument.

Fraud Destroys the Contract

You will already realise that what the bank calls a “loan contract” is not a contract at all. But for those of you still struggling with the idea that you have signed a real contract consider the impact of bank fraud.

Banks Lie – and so they fool you into thinking that the paperwork is a contract obligating you to them, when that “paperwork” is a Financial Instrument of great value which the bank steals off you.

So the transaction is fraudulent. And there is a principle of law that says that fraud destroys the contract. There can be no true contract when one party has deceived the other.

William W. Story includes the following statement in "**A Treatise On The Law Of Contracts**" in the chapter about Fraudulent Misrepresentation Or Concealment:

“Fraud vitiates every contract, and may consist either in misrepresentation or in concealment.”

Black’s Law Dictionary defines Fraud as **“A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment.”**

- In view of what I have presented in this document, is it possible that your bank has made a knowing misrepresentation of the truth, or concealment of a material fact, in order to get you to act in a way that is to your detriment?
- If they get you to pay them money they don’t deserve, isn’t that to your detriment?
- If you live in anxiety over making the payments demanded, isn’t that to your detriment?

Now, your local bank manager or loan consultant may not know they are deceiving you, but somewhere up the line your bank is engaged in Fraud!

Fraud makes a contract worthless, and because Banks Lie the supposed

“contract” they want to use to rob you is destroyed (vitiates) and made worthless. **Thus the Bank does not have any rights which they claim from the “contract”.**

Banks Lose Their Rights

And for those still concerned that they are doing wrong by refusing to honour the bank’s alleged “loan contract” remember that rights under a contract can be lost. If a lender does not retain all the rights to the original

loan contract then they lose their rights under the contract. They lose their rights to demand interest payments, charge fees or to take your home from you.

In many USA court cases the bank or lender was denied the right to make demands of a home owner if they could not prove the lender still held the original rights.

In October 2010 the 23 Judicial States in the USA **froze** all foreclosure actions because **banks were not proving their ownership of the original rights**. In fact the banks were LYING by paying people to create fake documents! And bank staff didn't bother to check the files to see if there were any documents at all. (remember the earlier info about the Stern law firm faking documents and not checking files)

For several years now USA banks have claimed that they 'lost' the paperwork for their home loans. In reality they sold the loans to investors and that is why they could not produce the original documents. **But they lied to the courts**, using a "lost note affidavit" to lie that they held all the rights, but just could not find the documents. Many USA courts no longer accept this lie.

My wife recently spoke with a Melbourne man who had his home loan completely cancelled when the bank could not produce the documents to prove it held the rights to the loan contract. The lender claimed they had 'lost' the documents.

Sadly, many courts are in collusion with the banks. In my experience with the **Supreme Court of Victoria** neither the Prothonotary nor Associate Justice Neemar Mukhtar would accept my demand that Perpetual Limited prove it still held the original documents and all rights that went with them. So, injustice will still stand in the way of justice and our rights.

Something For Nothing

Another thought screaming in the head of some of you is, "But you got **something for NOTHING!**" "You took the bank's money and now you won't pay it back. That's THEFT! How can you do something like that?"

Now, cool down. Just think this through again. We have already seen that the Bank did not give me anything that I did not create. I created the value by putting a signature on a piece of paper. I created about 250% of the amount I was applying for.

The bank had no hesitation in lying to me to get its grubby hands on my Financial Instrument and then to sell it off for a quick profit.

So you and I did NOT get something for “nothing”.

We got LESS than we created.

The bank took MORE than it gave us.

THE BANK GOT SOMETHING FOR NOTHING! Not US.

The bank gave us none of its money. The bank gave us no substantial value at all. All it did was put a number into its computer that gave us a “credit” which is worth much less than what the bank gained by selling our signature.

Remember the 1937 Royal Commission discovering that credits don't even need to be repaid.

Remember Josiah Stamp admitting that the creation of money is like a magician's trick.

In a world where banks don't operate in fraud I should be able to go to a bank and say, “I'll sign this Financial Instrument worth \$100,000 and I will give it to you if you will create a Credit entry for me for \$80,000. You can keep \$20,000 as a cool profit.”

In our world ruled by Bank Fraud it is the BANK that GETS SOMETHING FOR NOTHING. **And we, who create the wealth, get robbed and thrown out of our homes.**

Isn't that enough to bend the mind?

PART EIGHT: Legal Issues

Taking Your Home

Now, let's talk about the ugliest end of the whole deal, where the bank takes your home away from you.

What normally happens is something like this. The bank goes to the court and accuses you of being in breach of contract. They point out a clause or two in the contract where you have signed that they have the right to take your home if you do not make all the payments.

Most states have put in place simple procedures which create an automatic summary judgment against the borrower. So, thousands of people lose their home every month.

But is this lawful, or is it Fraud?

- If the "contract" is not a contract at all, then **it is FRAUD!**
- If the bank has sold or passed on the contract to others **it is FRAUD!**
- If the bank takes our Promissory Note then creates money out of thin air to provide our 'loan', no-one owes anyone anything. The transaction was an exchange, not a loan. But when the bank goes one step further and deceives us, and demands repayments of a non-existent loan, then **it is FRAUD!**

On 11 January 2010, when Perpetual Limited filed in the Supreme Court of Victoria to get my home off me they committed Fraud. I am confident that they no longer owned the "contract" and mortgage, but had sold them off to investors.

But **the court refused** to let me challenge my lender. **The court refused** to demand the lender prove they still held the rights to the loan.

So I am patiently waiting the time when that Fraud will be tested in open court and the LIE will be exposed.

When that happens thousands of other Aussie families will take courage to get the justice they deserve.

Transfer of Land Act 1958

Australian Law is based on the **Crown and Common Law**. Thus the ancient promises of the Kings and Queens of England, including **Magna Carta** and **Habeas Corpus** (which we call **Imperial Acts**) are the “**higher law**” that has priority over every other law or court rule used in Australia.

Magna Carta says **I cannot have land taken off me without a jury trial before 12 of my peers** or the ancient common law of the land. **The bank and court gave me neither a jury nor common law.**

By attacking my rights under the Crown **the bank, its lawyers and the Court committed Treason**, using judicial process in Australia to deny the rights guaranteed by the Crown.

And in Victoria the banks rely on the Transfer of Land Act 1958. **But to do that they have to commit Treason.** The Australian Constitution says that if the parties are in different states then state law **cannot** be used. That's the case for me, but the bank insisted on using Victorian legislation **despite** what the Constitution says.

Common Law Claim

Australian courts must operate by the maxims of common law, due to **Royal Prerogative**. Royal Prerogative means the Queen is deemed to be present in the court, thus giving the court the right to operate. But her presence means that **the court must operate by the maxims of common law**, even if the court claims that common law does not apply (such as a court of equity, maritime jurisdiction, etc).

Check out this definition of **Royal Prerogative** from **Halsbury's Laws of England** (which laws have not been revoked in their application in Australia).

*“By virtue of the prerogative the Sovereign is the source and fountain of justice and all jurisdiction derives from her. Hence in legal contemplation, the Sovereign's Majesty is deemed always to be present in court, and by the terms of the coronation oath, and by the **maxims of the common law** as also by the ancient charters and statutes confirming the liberties of the subject, the Sovereign is bound to cause law and justice in mercy to be administered in all judgments.”*

Injured Party

A fundamental maxim of common law is the requirement of an injured party. This ancient requirement comes from the **Holy Bible** and traces back to the time of Moses when God instructed that justice requires an injured party and a punishment that does not go beyond the injury caused.

*“And he that kills any man shall surely be put to death. And he that kills a beast shall make it good; beast for beast. And if a man cause a blemish in his neighbour; **as he has done, so shall it be done to him; Breach for breach, eye for eye, tooth for tooth: as he has caused a blemish in a man, so shall it be done to him again. And he that kills a beast shall restore it: and he that kills a man shall be put to death.**”*

Leviticus 24:17-21

By the maxims of common law, when your lender goes to the court it must prove it is an injured party.

Is Your Bank an Injured Party?

Think about it.

1. They enriched themselves by taking your financial instrument ('contract') and depositing it into their own account as an asset to them – thus INCREASING their net worth by the amount of the loan.
2. They further enriched themselves by selling your financial instrument for a profit.
3. The original money they provided you was created out of nothing, so it cost them nothing to give it to you.

They simply **can't** lose any money, or be “injured”, even if you don't pay them. Their assets increased, they sold your 'contract' for a profit, the money they provided you was created out of thin air, they demanded interest, application fees and other charges from you. Then, if you don't pay, they come and take your home off you, adding to their already huge profits.

They will never “lose” anything in their deal with you. Instead, they exploit you for huge profit.

No. **Your lender is never an injured party.** So they have no lawful right to claim in an Australian court because the court is under Royal Prerogative which demands that the maxims of common law must be followed, which means anyone coming to the court must prove it is an injured party.

But note that what is “lawful” (just and right) can be overturned (treacherously) by what is made “legal”, made into an unjust law, such as the banks use to get your home.

And that's Treason!

Treachery and Treason

Every action by the bank, its lawyers and the courts which denies you and me “justice” or “right” is an act of Treachery and Treason, because **they are using the resources of the Crown to attack the Crown's promise to Australians.**

The **Crown's Promise**, given in **Magna Carta 1215** is *“To no one will we sell, to no one deny or delay right or justice.”* That Promise was repeated in **Magna Carta 1297** as *“We will sell to no man, we will not deny or defer to any man either **Justice or Right.**”* **And those Imperial Acts have never been repealed in Australia or rejected by the Australian people.**

So any action undertaken by any official in Australia, being a Commonwealth constituted under the Crown, must fulfil this Crown Promise to guarantee “justice” and “right”. **All expressions of the Commonwealth of Australia**, from politicians, courts, officials or whatever, must be totally committed to deliver Justice and Rights to members of the Australian public. They cannot make you pay for justice or right, nor can they deny it or even make you wait for it.

Any official who fails to give you justice and right has committed **Treason against the Crown.**

What I have repeatedly experienced in the Supreme Court of Victoria, and particularly from Associate Justice Neemar Mukhtar, appears to me to be nothing less than Treason. I explain my reasons in **my follow-up book “Courts Deny Justice!”** The court has repeatedly served its own interests with disregard for justice and my rights.

That is why I named my new website **Justice-And-Right.com.**

Web of Lies

- Your bank lies to you that it has money to “lend” to you.
- Your bank lies to you by offering you a “loan contract” when it is neither a “loan” nor a “contract”.
- Your bank lies to you by not telling you your signature creates value.
- Your bank lies to you by telling you the money it provides is not your money already, or money created by you.
- Your bank lies to you by not telling you they simply create a credit entry in your account, out of nothing.
- Your bank lies to you by sending you Statements which give a false impression about your financial standing with the bank.
- Your bank lies to you by telling you that you must pay interest on the money you receive.
- Your bank lies to you by telling you that you must pay fees and risk losing your home if you do not pay them the money they demand.
- Your bank lies to you that they need security for the loan and so you must give them a mortgage over your family home.
- Your bank lies to you that it has lawful right to take money and your home from you.
- Your bank lies to you that it has not sold or otherwise lost any rights it might have had under a true contract, by selling that financial instrument to others.
- Your bank lies to the court when it claims to have the right to demand money or to demand your home.
- Your bank lies to the investors it sells your home loan to by not disclosing that your obligations are voided once the “loan” has been sold – thus the mortgage backed security is not truly backed by anything!

What is Truth?

All of this happens under the notion of “Truth in Lending”. Ha!

Where is the truth? How is it that since 1968 in the USA, when the Truth in Lending Act was created, banks can continue to boldly lie in every direction?

Truth must mean something different in banking to what it means to ordinary people.

PART NINE: What Next?

What Next?

Where does all of this lead?

That is for each of you to answer.

It has led me and many others to challenge the lies and to demand from the lender some proof of what they are saying.

Where will it lead you?

The problem for those of us who challenge the banks is that the courts are corrupt and are not likely to support someone opposing the banks. Yet we do see more situations, especially in the USA, where the courts side with the bank's victims, rather than with the banks.

Progressively the man on the street is getting justice and the banks are losing their chance to lie and steal.

Meanwhile a hurdle we all face is that brainwashed people become angry at us for trying to set them free. There is deep resentment in some when they see us fighting the banks. Those feelings are irrational, but they are real nonetheless. Those who investigate the matter will work through the brainwashing, but don't be surprised if some of your family and friends don't understand your actions.

Pointers to Follow

The **Credit River case** from Minnesota USA is a landmark decision dating back to 1968, showing that money is created out of nothing. It is one of the early decisions to hearten those who know the banks are lying.

<http://www.abidemiracles.com/images/feddocuments/the%20Mahoney%20Case%20-%20Credit%20River%20Decision.htm>

The book **Modern Money Mechanics** by the **Federal Reserve Bank of Chicago** contains 50 pages of authoritative explanation about how banks

lend out money they don't have, lending out \$1,000 for every \$100 dollars they have in reserve. The book can be downloaded from various websites.

For a much more up date example, check out **Darrell O'Dea in Ireland** who challenged the **Bank of Ireland** about the things discussed here and, after about ten months (Nov 2010), he had his mortgage wiped off, without even a court battle. Darrell has written a book called, "**Blank of Ireland. This Way Out**". It can be downloaded free and includes the text of some of the letters he used.

My experience has not been as smooth as Darrell O'Dea. **Perpetual Limited** filed to get my home and the courts seemed to bend over backwards to make it easy for them. I wrote many letters and put my claims as best I could, with no legal training or experience. **I was evicted** by the Sheriffs on 21 September 2010, and **I re-took possession of my own home** on 28 September 2010. I am still in my home, but a new Warrant of

Possession has been granted by the same Associate Justice Neemar Mukhtar who has denied my rights several times before. I have an Appeal in process that could take until late 2011 to be heard. What we are going through is not for the faint-hearted.

Resources

Now read my **Second Article in this Series, "Courts Deny Justice"**.

Find further information about banks and legal matters at <http://justice-and-right.com/>

[Subscribe to the Justice and Right UPDATE Newsletter at the justice-and-right.com site.](http://justice-and-right.com/)

Browse my thoughts about sovereignty, law, Biblical principles and related topics at <http://ChrisFieldBlog.com/>

Get info and wisdom via: <http://justice-and-right.com/resources>

Forward this and hand copies to as many people as you can.

We need more people to investigate and discover that Banks Lie.

The more who know what is going on and the more who do something, the more honest the banks will have to become and the more our rights and justice will be restored.

So, pass this on, for the sake of us all.

PART TEN: For Your Further Consideration

Dealing with Objections

Objection 1

You Signed a Contract, so you are morally and legally obligated to fulfil your commitment.

If you don't pay your mortgage you are stealing money from someone.

It's morally wrong to try to get out of your contract.

You are just trying to get something for nothing.

I pay my bills and you should pay yours. It's only right and fair.

Response

People are morally and legally bound to keep their word and pay their bills. No argument there. I pay my bills. I meet my moral obligations. Amen to your moral convictions!

I am happy to pay my mortgage payments which the bank claims to be a "loan contract", on just a couple of conditions which I am sure you will recognise are reasonable. I want several items of proof from the bank, which it will have no problem providing. So I will be satisfied and the bank will have proven its legal claims.

a) I want the bank to prove that what it calls a Loan Contract is indeed a true contract, not a financial instrument of some kind or some other thing other than a contract.

Included in that they must explain why they did not sign it, and show that they gave a "consideration" (something that cost them something) to seal the contract, and prove that it is binding on me when they did not become a party to the contract, and they must prove that they gave "full disclosure" to me at the time they offered me the alleged contract, since failing to tell me the truth or give full disclosure of the nature of the contractual relationship voids the contract.

If the loan contract is everything the bank says it is they will have no problem providing the proof requested, so this is not an unreasonable

demand. In view of the questions and doubts I have raised in this book, my request for proof is not unreasonable either.

b) I want the bank to prove that it still holds all rights conferred upon it by the alleged “loan contract”.

Included in that I want them to produce the original “wet ink signature” contract and mortgage documents and the title to my property in court, showing that it has not been assigned, on-sold, or otherwise affected by all or some of its rights being transferred to some other party.

The bank claims to have those rights so it will be no problem for them to prove that they still hold those rights, so this is not an unreasonable demand. In view of the questions and doubts I have raised in this book, my request for proof is not unreasonable either.

Objection 2

If the Bank has on-sold the loan to someone else and they prove that to you then you will have to pay that other person. So there is no net gain in arguing with the bank. You are just putting yourself and your family through undue pressure and strife for nothing.

Response

If the loan contract is a true contract and the Bank has transferred the rights to the loan contract to another party then there are some serious questions to ask about their ability to do so.

I want the Bank to show lawful right to on-sell the contract. If contracts are non-transferable, how did the other party become a lawful party to the contract? If they are not a lawful party to the contract then hasn't the Bank deceived them? The Bank needs to prove that it is not engaged in unlawful acts. I will not be party to deception and unlawful acts, either as a perpetrator, victim or accessory.

I am confident the Bank is involved in deception and fraud, not just against me but also against investors who buy into home loans. I believe it is my moral responsibility to challenge this behaviour because it not only affects me, but it affects millions of helpless people who don't understand and who are being ripped off by the banks and unlawfully thrown out of their homes. If I don't stand up to the banks and make them accountable for this, then will you? If you and I don't do it, then who will?

The bank claims to be doing what is right so it will have no problem proving that it is doing the right thing, and so this is not an unreasonable demand. In view of the questions and doubts I have raised in this book, my request for proof is not unreasonable either.

Objection 3

The Bank may have on-sold or securitised the loan, but it would then be the 'servicer' of that loan contract on behalf of the new owner. So the fact that the bank has on-sold the loan makes no difference to you. You are obligated to honour your contract so the new owner gets the value they paid for. Otherwise you are robbing the new owner.

Response

A widespread problem with home-loans being on-sold and securitised is that no-one really knows who now owns them. It is called "broken chain of title" and means that the loan is sitting in limbo without anyone being able to prove they own it.

If that is what has happened with my home loan then who is the bank "servicing"? If the bank is a servicer then it must be under contract to someone to collect on their behalf. So it won't be hard for the bank to prove it has a servicer relationship and to identify the new owner of the home loan.

But if the bank cannot prove that it knows the true owner and has lawful authority from that owner to collect money and administrate the loan on that person's behalf, then its actions are unlawful.

If the bank cannot even identify the new owner then it is NOT A SERVICER at all, but simply collecting money it can't pass on. That means it is collecting money for itself, illegally.

I want the Bank to prove it has a true relationship with a lawful new owner and that it is not simply claiming to be a servicer while taking my money unlawfully to enrich itself.

The bank claims to be doing what is right so it will have no problem proving that it is doing the right thing, and so this is not an unreasonable demand. In view of the questions and doubts I have raised in this book, my request for proof is not unreasonable either.

Now My Turn to Ask Questions of the Bank

1. Is the Loan Contract truly a Contract?

If it is a contract then why did the Bank not sign it? What is the “consideration” given by the Bank in the contract? And if it is a contract how could it be on-sold or passed on to another party who did not sign the contract?

2. Is the money provided to me by the Bank truly a Loan?

Where did the money come from? Did the money come from the Bank’s assets as a true loan?

3. What did the Bank put on its T ledger to balance the books on the loan amount given to me?

4. Did my loan contract get sold or otherwise disposed of by the Bank for value?

If so, then my signature must have created value, so why was I not credited with depositing that value with the Bank? Why was I not given the proceeds of a sale of my own created asset? Why did the Bank not give me full disclosure about its intention to sell my loan contract?

5. Who is now the true owner of my loan contract and what lawful relationship do I have with them and with you?

6. Is the bank not committing Fraud by making demands of me to pay interest and fees? By what lawful right does the bank make demands of me when the whole process is so mired by deception, misrepresentation, failure to give full disclosure and by processes which are clearly suspect?

7. Why is the bank not completely transparent about all its dealing? What is the bank trying to hide from me? Why should I believe anything the bank tells me if it will not give me the proof that it should readily have on hand?

Don't forget to **PASS THIS BOOK** on to others.

The more people who get educated on these matters the more likely truth will prevail and justice will be given to us all. Thanks.

Chris

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ENCOURAGEMENT. THANKS.

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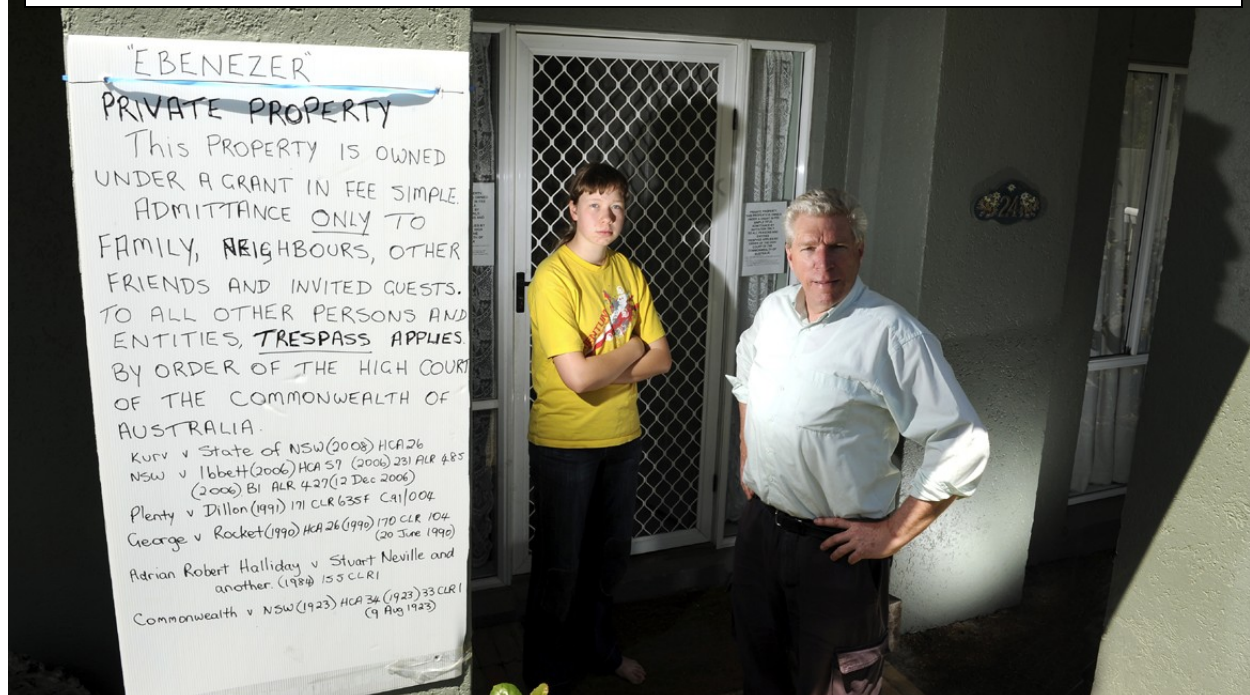
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This Picture of Chris and daughter Sophia was on the front page of the local paper when his story broke in Melbourne in October 2010



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Further Reading

'Oil in Troubled Waters'. Dr. Jim Cairns, former Treasurer and Deputy Prime Minister of Australia., Widescope, Melbourne. 1976.
The author states conclusively that banks do indeed create book-entry credit out of nothing.

“Global Development. Problems, Solutions, Strategy” - Part 3, Financing Sustainable Development, Chapter XII: Money Creation. By Dutch expert Frans Doorman. MSc PhD 1998

This book investigates global financial sustainability. However, chapter 12 clearly addresses the issue of credit creation – creation of money out of nothing.

“Web of Debt” by Ellen Hodgson Brown. Ellen is an attorney. 2007

This book shows how the **private** cartel, called the Federal Reserve, has usurped the power to create money from the people themselves, and how we, the people, can get it back.

‘Manufacturing Money’ by Australian Mark Mansfield B.Ec. 1998

Explanation of how money is created in Australia and problems resulting.

'Output Inflation and Growth', D.C.Rowan, Professor of Economics, Southampton University Australian Edition, Macmillan and Co. Aust., 1975. Provides evidence that banks create nil cost book-entry credit (deposit creation) at their own discretion.

“The Creature from Jekyll Island: A Second Look at the Federal Reserve” by G. Edward Griffin. 1998.

Discusses: Where does money come from? Where does it go? Who makes it? The money magician's secrets are unveiled. Here is a close look at their mirrors and smoke machines, the pulleys, cogs, and wheels that create the grand illusion called money. The 5th Edition includes a no-holds barred analysis of bank bailouts under the Bush and Obama Administrations that are shown to be nothing less than legalized plunder of the American people.

"A gripping adventure into the secret world of the international banking cartel." – Mark Thornton, Asst. Professor of Economics, Auburn University, Coordinator of Academic Affairs, Ludwig von Mises Institute.

"A superb analysis. Be prepared for one heck of a journey through time and mind." – Ron Paul, Member of Congress, House Banking Committee, 2008 Presidential candidate.

'The Money Masters', Dr. Ian Reinecke, William Heinemann Australia, 1988. Commissioned by the Finance Sector Union (Bank Employees' Union), this professional university communications technology man exposes the true power and corruption in the Australian banking industry.

'Banking and Monetary Studies', Department of Banking and Economic Research, Office of the Comptroller of the Currency, Washington, 1963. This is the official U.S. Government publication celebrating the centennial year of the U.S. National Currency Act 1863 which created the National Banking System in the United States of America.

With a forward by U.S. President John F. Kennedy, this publication proves conclusively that banks do indeed create book-entry credit (deposit creation) at no cost to themselves and that they use that unilateral power to control the economy not only of the country, but of everyone who comes within their grasp.

'Money: Whence it Came. Where it Went', Professor John Kenneth Galbraith. Wartime Controller of Prices in the U.S., was U.S. Ambassador to India 1961-63 and then the Paul M. Warburg Professor of Economics at Harvard University.

A simply stated expose of the truth about book-entry credit creation (deposit creation) at no cost whatever to the banks.