

## SUBMISSION ON POLICY ISSUES IDENTIFIED IN THE INTERIM REPORT

Submitted By: Murad Talukdar

Email: [REDACTED]

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Submission for: My Self

Name of other person, business or organisation:

Do you agree to your submission being published: Yes

Do you agree to your full name being published: Yes

Your submission:

My name is Murad Talukdar, a former homeowner who decided to become a renter several years ago, due to my evaluation of the hidden risks of systemic vulnerabilities within the mortgage lending industry.

These were made apparent to me recently given the nature of revelations of predatory lending and weak standards for mortgage lending that appear to be widespread across the banking sector but especially highlighted amongst the four major banks. Not only that, the nature of the loan books of the big banks are mortgage heavy and reliant it seems on an ever increasing house price index. Their eggs, as it were, are all in one basket that will expose them to risks going forward, especially given the flimsy nature of a proportion of that lending.

In 2005, when I went to a mortgage broker from the now defunct [REDACTED] the broker who setup my loan for me spent approximately one hour attempting to convince me that on my wage of [REDACTED] and with a deposit of \$45,000, I would be able to borrow \$400,000. Or roughly nine times my yearly salary. When I explained our outgoings; two children, one car, health insurance, no other debts, he waved away my concerns.

*Easily, we can get you that, was the gist of what he said. A much nicer place.*

I looked at him as if he was quite mad, and told him flatly on several occasions that I had no wish to be saddled with the kind of risk he was proposing. A risk which would not affect him in the slightest if interest rates increased or if I got sick. The only reason I can see for brokers to push in such an irresponsible manner, is to gain from the short term thinking of commission based incentives. Essentially, the reward is this month but the risks are in the future. Well into the future.

Now having seen how entrenched this type of thinking is within the industry, thanks to the rigour of the Royal Commission, my ongoing disquiet appears to have a basis in reality.

The concealed risks of such lending practices may well make for turbulent times ahead, not just for mortgagees but also for the financial health of the country as a whole.