

Mortgage Documents Advice: Why we do not give advice or read your mortgage for you?

As you know...

- The bank determines the interest rate that you were aware of.
- The bank set the policy and features of your products.
- The bank set the fees or no fees that they have told you about.
- The banks are the creator of the interest and the policy.
- Your banker or mortgage brokers know all about the products inside out. So who would be a better person to tell you, the bank or the lawyer?

Your lawyer, economist or doctors have no knowledge about the features, cost or interest rate.

Therefore it is very misleading for your banker to tell you to go and see your lawyer.

See your lawyer for what?

Banks are cheating you.

To explain and give advice to you on the mortgage?

Well, you must go to the bank or your broker to have your mortgage explained. They are the people who came up with the policy and conditions.

You then sign the mortgage there and then to speed up the process.

Why your lawyer should not give you advice on your mortgage?

Answer: Nearly all lawyers had no working experience for the bank and most have never studied banking.

Ok. Here is the advice we can give you now: pay your mortgage on time and you will never have any problems from your bank. If you do not, you will be in trouble.

There you go. That advice was for free. If you come to see us, we would give you the exact and same advice.

Here is some more advice: You should never be loyal to your bank. Your bank only treats you as a number. Do not be fooled that they have a so call relationship manager that loves you.

Here is another advice: Change bank regularly to get the lowest interest. Do it once a year, as there is no more penalty or exit penalty since 2011 unless you are on a fixed rate.

Note that it is cheaper to switch bank once a year if you have 20% or more equity from 1 year of settlement. The government charges are minimal compare to what you can save from the difference in interest.

So why do banks always say, go and see your lawyer once you get the mortgage document?

Here is the plain truth:

Banks want to save on their labour cost.

The truth is simple: banks do not want to waste their staff time. They want to make free use of the lawyer's labour in explaining it. But you are paying for this time as you have to pay your lawyer.

You see, when you see a lawyer, you might have many questions and for this reason, banks do not want to do it. Banks are super smart, aren't they?

Typical problems when signing mortgage documents.

There is a very long list of fees. The list of fees were designed that you will not bother the bank. It is to stop you from requesting this and that. Example, you might ask for a copy of the mortgage documents every 6 months because you kept on losing it.

The list of fees makes people feel scared. However, most of the fees are not applicable if you do not disturb their staff.

A typical scenario when we see clients about the mortgage documents, clients will argue and complain to us about bank fees for hours. We have no control over this. A session could last up to 2 hours. That is a waste of our time and your money.

You must insist that you sign the mortgage documents with the bank.

Another option is to sign it with your mortgage broker. He or she should explain cost and fee in details. If he or she refuses, take it to the bank branch and they will surely do it.

Can the bank refuse to see me (the borrower) about signing the mortgage documents?

Answer: 99% of the time you will have no issues. 1% of the time they will initially refuse but when you insist or go to a second branch, they will always help you out.

What if I am very smart and confident, can I just sign it myself?

Answer: Some people do that. There is no requirement that you have to get a lawyer, a judge or the King to witness your documents. You can do it yourself as long you are a prudent person.

Did you know, if you do not like your mortgage conditions, there is nothing you can do, except to proceed?

You see, from our 20 years plus experience, not 1 person has ever backed out from signing and here is why.

Bank's lawyer deliberately delay issuing mortgage documents.

From the time your mortgage arrives in your hand and the time to settlement, often you only have 1 week left to settle. If you do not like any conditions in the mortgage, it's too late. You cannot go to a second bank because of time constraint.

So why do banks give me the mortgage document so late?

Answer: They deliberately make it late so you do not have enough time to go to a second bank.

Why is it that getting a mortgage document out to me is a challenge?

Answer: they want to make this experience a traumatic one so you would never want to go to another bank. When you are bruised and traumatised, you will not want to do it again. That means you are less likely to change banks later on.

Summary tips

- ✚ Lawyers and conveyancers duty is to transfers the title from person A to person B and not explaining the mortgage document.
- ✚ Banks want you to sign the mortgage document with anyone except the bank to save them labour cost.
- ✚ Some mortgage broker also wants to save labour costs and would direct you to go somewhere else to sign the mortgage document.
- ✚ Avoid a solicitor fee. You should sign the mortgage documents with your bank or mortgage broker as they are the expert with their products and fees.
- ✚ Banks pretend to be your friend but they are in fact only use you as long you are a benefit to them.
- ✚ You should never be loyal to a bank as they are only a business. You should look after your own financial affairs.
- ✚ You should change banks when you can find a better deal, that is once a year, you should switch bank.
- ✚ Some lawyers want to give advice about mortgage so they can charge you extra money.
- ✚ You have 3 options as who should receive your mortgage document: the broker, the solicitor and yourself. Tell your broker to make sure he or she selects the option to send to you directly. That way you have more control.