

Secret Lies

Banks

1. The standard interest rate is never a standard. It's the most expensive of all rates
2. Pre-approval, conditional approval, and approved in principles are all deceits as they have fine prints saying that it's not an approval. However, the fine print is too small, you never be able to locate it
3. Bankers lie and would often say that you can settle your loan early. This is an outright lie because it's the bank's lawyer who dictates when to settle
4. Bank's lawyers are bossy. You cannot call them. You cannot tell them to hurry. Instead, we have to obey their commands. They are extremely slow and will only settle close to the 42 days from the exchange. So what your banker tells you are a total lie. They only want to make it seems easy.
5. Did you know that the bank's lawyer is the one that will write the final cheques? Did you also know if they make any mistakes or causes the settlement to fail, there is nothing you can do? You cannot sue the bank as they are so powerful, even the government is afraid of them.

Sales agent lies and tricks

6. The sales agent pretends to be friendly with the purchaser, but he is always on the side of the vendor as the vendor pays him a commission and not you.
7. The sales agent will tell you a lie about a holding deposit. A holding deposit is a made up term and it has no meaning in law or the court. You can interpret it anyway you think or want it to mean.
8. Fear factor. The agent will tell you there are 3 other buyers coming to sign the contract. This is often a lie. It is also illegal because the real estate's sales law say you must not pressure the buyer in anyways.
9. The real estate agents can lie as much as he wants as it is perfectly legally to tell lies! In fact, the law encourages agents to lie. Did you know that the special conditions in the sales of land contract say that you are only agreeing what is written in the contract and that all lies by the agent is not applicable? Let the buyer beware "caveat emptor". Are you are a smart buyer or a foolish buyer?
10. Gazumping. This word sounds like dumping. Did you know that the sales agent can take as many signed contracts by as many buyers as possible? This can be done simultaneously. This unethical behaviour is permitted by law! Many agents will take many sales contracts and as many deposits at any given period of time. This is to have a higher chance of success that the salesman will at secure a buyer. As a result, the salesman will have a higher chance of getting the commission. The bottom line is, the salesman is the best at what he does. He will simply select one buyer and return all the

deposits to all the other buyers and he does not even have to give you a reason. This is known as gazumping. The law, in fact, encourages gazumping because, with gazumping method, there is also a higher chance that the government will also get their stamp duty!

11. Did you know that you never get the 5 days cooling off period? You see, the law is on the side of the salesman. The law states that the agent has 3 days from exchange to deliver the contract to your lawyer. That means you only have 2 working days cooling off left and not the 5 days that all of you were talking about! What can you do with 2 working days? No wonder there is so much pressure for the buyer and the buyer's conveyancer.

The law will not protect you

12. What, the law doesn't protect me? The law cannot protect you in every way. You are not a baby and you should exercise cautions. The old sayings will always apply "let the buyer beware"
13. Is ignorance of the law is an excuse? Absolutely not. You are expected to know the law. Ignorance is not bliss. There are people out there such as the agents and the banks are trying to trick you. They are entitled to. If you are gullible, no law can protect you. Therefore, you should always doubt what people are telling you if they are there to gain a benefit such as money. There is no substitute for being careful and have doubts always.
14. Why don't the law be tougher on the bank and the sales agent? The government is weak when it comes to banks. Banks have all the money and are mighty. Imagine, if there were no banks, there would be war and there would be no government. As to the agents, they pay a yearly membership fee to the government and you do not. The government needs to protect the ones that pay fees. Also, the agents facilitate sales. The more sales, the more stamp duty the government will collect.
15. The law was designed with many traps for the unwary and gullible. Why wouldn't they fix this problem? There is no such thing as perfect law. If the law was perfect, the judges and many people will have no jobs left. You cannot change the law, but you can educate yourself. Ignorance is very expensive.