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Chinese Buyers Buy Fake Documents, Australian Mortgage Fraud. Dodgy bank statements false pay slips for \$200. Crackdown by Australia's leading banks.

# Chinese Buyers Buy Fake Documents Australian Mortgage Fraud

The recent crackdown by Australia's leading banks to stop lending to foreign property investors has reached every headline across the globe. Revealed this week is one of the triggers that forced Australian banks to turn off the finance flow to Chinese investors.



Reported by the Australian Financial Review, overseas Chinese property investors are purchasing fraudulent documents such as dodgy bank statements and false pay slips for as little as \$200.

According to the Australian Financial Review, one fraud included a "ludicrously obviously" fake loan application from a Chinese investor wishing to borrow \$960,000 for the purchase of an apartment in Sydney.

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## Foreign Borrowers Buying Fake Bank Statements To Purchase Australian Property

By Phil McCarroll | 17 May 2016 04:57 AM

<http://www.yourinvestmentpropertymag.com.au/news/foreign-borrowers-buying-fake-bank-statements-to-purchase-australian-property-216061.aspx>

More light has been shed on the reasons behind the recent crackdown on foreign borrowers by Australian lenders, with reports of the buying and selling of fraudulent documents for the use in mortgage applications. A report in the Australian Financial Review has claimed that foreign borrowers are purchasing fraudulent bank income and spending statements for as little as \$200.

According to the AFR, recent instances of fraud include a "ludicrously obviously" fake loan application from Chinese investors hoping to borrow \$960,000 to purchase an apartment in Sydney. The revelation of the black market documents seemingly justifies the recent decisions from a range of Australian lenders to restrict their lending to foreign borrowers or people relying on foreign income or currency.

Major lenders ANZ and Westpac, among those who have pulled back their foreign lending, have also announced they are investigating mortgages they have written that were likely backed by fraudulent foreign-income documentation. While the issue of mortgage fraud by foreign borrowers had been in the headlines already, Ken Sayer, chief executive of non-bank Mortgage House, told the AFR the latest developments likely mean the issue is more widespread than many first thought.

"This is huge," Sayer told the AFR "It is much bigger than everyone is making it out to be. The numbers could be astronomical," he told the AFR.

But not everybody believes the issue is as prevalent as Sayer does, with Finance Brokers Association of Australia (FBAA) spokesperson claiming mortgage fraud involving foreign investors is not a systemic problem. White said any fraud involving foreign investors is likely quarantined to the actions of a small subset of people in the mortgage industry.

"Ninety nine per cent of brokers are doing the right thing but unfortunately, like in any industry, there is a tiny element who cross the line, particularly when it comes to the repayment of loans that rely on foreign income from certain countries," White said. White's sentiment is echoed by Gavin Norris, head of Australia for Juwai.com, an online platform that markets foreign real estate to Chinese buyers, who said concerns about the apparent danger of lending to foreigners may be overblown.