

Being a slave to your lender: Supplementary Notes

* *Always seek professional advice from your accountant or lawyer before acting on any of these suggestions*

1. Debt is now so entrenched in our economy and our lives we simply don't see the risks; but there are many, hidden in the paperwork and missed by most borrowers
2. You need to 'fear' debt; of course, the world will tell you otherwise because the bankers are the "merchants of the earth" (Rev 18) and they want to enslave you
3. Good stewardship requires that you read and understand all the loan paperwork (Letter of offer; loan agreement; Standard Terms & Conditions); otherwise, don't borrow
4. Do not assume that when you get in trouble with your loan your bank will stand by you through "thick and thin" because they may not as that ASIC report shows
5. You don't own any asset that is mortgaged, the lender does...which means they must also own the equity that builds up in the asset
6. If you must borrow, "quarantine" the deal; then in a default only this asset is at risk
7. Beware, the myth of 'good' debt & 'bad' debt - it's all debt and you are always a slave
8. Wisdom suggests: check loan documents to ascertain IF you are already in default
9. Always get professional advice before buying or selling assets or borrowing to invest
10. If you need to borrow 100% on any asset purchase it means you can't afford it
11. If the bank requires you get a guarantor for your loan, you definitely can't afford the deal
12. Never, ever guarantee anyone else's loan, even your children
13. If you can't eliminate debt, can you reduce it and release the family home as security?
14. Default on one loan means lender can demand repayment of ALL loans with that lender
15. Once a loan is repaid, pay the small fee DISCHARGE the mortgage, or the lender still legally owns property (and don't allow the bank staff to convince you not to)
16. It is unwise to borrow on depreciating assets such as caravans, boats, motor bike, etc
17. Your business may need to borrow at times to fund expansion, but BEWARE the risks
18. The bank will require personal guarantees, meaning all your assets are at risk of seizure
19. Most problems arise when a borrower is in breach of an Events-of-Default clause
20. Reduce your overall risk by 'quarantining' each deal by using different lenders for each
21. If you are already in default, go to the bank with your (and accountant's) plan to fix
22. In that case, sometimes the best solution is to change banks...and start again

***Finally, as a child of the living God, why are you borrowing and choosing to become a slave?
And what scriptures are you standing on as your authority to take this action?***