



New South Wales Government

The Hon Tony Kelly MLC
Minister for Police
Minister for Lands
Minister for Rural Affairs
Deputy Leader of the Government in the Legislative Council
Leader of the House in the Legislative Council

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Parliament passes new laws to protect home owners

Minister for Lands, Tony Kelly, said legislation to stop banks and other financial institutions from holding firesales of defaulted mortgages has been passed by the Parliament.

Mr Kelly said the changes to the Real Property Act 1900 will help protect working families struggling to cope with financial pressure.

“The Rees Government is determined to do everything it can to help working families cope with the difficult situations brought about by the current financial crisis,” Mr Kelly said.

“It is a sad reality that many families struggling to meet mortgage repayments at the moment may face the forced sale of their homes – and these new laws are designed to make sure they get a fair go.”

Mr Kelly said the new laws require banks and financial institutions involved in ‘mortgagee in possession’ sales take all reasonable steps to ensure the property is sold at ‘not less than the market value’.

“We recognise that the vast majority of financial institutions operate with integrity, but this Bill is designed to make sure there is no room for unscrupulous behaviour by lenders,” Mr Kelly said.

“We want to make sure that if a house is sold by a ‘mortgagee in possession’ the home owner receives a fair return and not a firesale price that simply covers the lenders’ debt.”

Mr Kelly said the Government’s changes to the *Real Property Act 1900* also provide greater safeguards against property owners losing their property due to identity fraud.

“This Bill tightens the obligation on lenders to ensure that they take reasonable steps to verify the identity of parties to a mortgage,” Mr Kelly said.

“If this condition is not met, the mortgage, if forged, will not be enforceable against an innocent land owner.”

Mr Kelly said these changes are designed to protect land owners from identity fraud, requiring those issuing a mortgage to ensure that they have met minimum standards of identification of the borrower.

“These new laws show the Government is using every lever at its disposal to shelter the people of NSW against mortgage stress by strengthening the State guarantee of title against fraud and the impact of global financial crisis.”

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