



New Economic Rights Alliance

supporting victims of corporations that put profit ahead of human rights.

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The NewERA highly recommends that everyone ask their bank the following 10 questions.

Included are reasons why, in our opinion, the banks refuse to answer them.

1. *Am I indebted to the bank right now? (Please answer yes or no).*
2. *Please confirm that the bank actually possessed the money they claim to have lent me, prior to my loan being granted. In other words, did the bank physically have the money they lent me, prior to the money appearing in my account?*
3. *Would the bank be prepared to amend the credit agreement as follows: "We, the bank, did in fact possess the money we loaned you, prior to the loan being approved."*
4. *Was the loan funded by assets belonging to the bank at the time the loan was granted? Either way, please describe in detail the accounting process used to create my loan.*
5. *Did the bank record my promissory note / negotiable instrument as an asset on its books? If yes, how was my instrument used to create my loan, and where is my valuable promissory note / negotiable instrument now?*
6. *Does the bank participate in a securitisation scheme whereby debts / promissory notes are bundled and then sold-on to a third party/parties via special purpose vehicles, entities or alike processes?*
7. *With reference to point 6, has my loan securitised? If so, please send me all details regarding its securitization.*
8. *Does the bank have a legal right to collect money it claims I owe it? If so, then where does this legal right come from, assuming the loan has been securitised?*
9. *Has my loan with the bank been settled by a special purpose vehicle, insurance policy, or by any other party?*
10. *Regarding the security given to the bank by me, has this security been sold on or given as security / surety to another party?*

THE 10 QUESTIONS EXPLAINED

1. Am I indebted to the bank right now? (Please answer yes or no).

Obvious question, right? Wrong. In fact, your bank may well refuse to answer it.

Here's why: If your loan has been securitised, then you are no longer indebted to your bank. If you are not indebted to your bank, then in our opinion, the bank cannot take judgement against you.

A recent judgment in the US (one of many similar judgments since 2008) has ordered banks to pay out US\$8.5 billion to consumers because of banking fraud. This is almost identical to what NewERA is seeking.

In the case of securitisation, your legal position with the bank has changed. Did your bank disclose securitisation to you? Do you even know what it means? Probably not. Therefore, you should therefore seek recourse and together with NewERA we may follow the success of other countries.

Also, if the bank does answer "yes" to this question, and it turns out that your loan has been securitised, then it is our opinion that the bank has placed itself in a position of fraud and quite possibly perjury. This could lead to criminal action against the bank and possible recourse for you.

2. Please confirm that the bank actually possessed the money they claim to have lent me, prior to my loan being granted. In other words, did the bank physically have the money they lent me, prior to the money appearing in my account?

It is unlikely that your bank will answer this question. However, they may try to disguise the answer by using clever language, so read their answer very carefully.

If your loan was securitised, then the bank's money was not used to fund the loan. Therefore, a legitimate loan between you and the bank may not exist. The bank could never admit this, because to do so would be to admit that there could not possibly be a loan agreement with you.

Even if your loan was not securitised, then the bank still cannot answer this question. Why? Because the bank did not loan you their own lawful money. Something you need to know about banking: banks do not "loan" money in the ordinary sense of the word. This is a tricky concept, and works like this:

Banks do not make loans. Instead, they "advance" or "extend" something called "credit." This simply means that a magical facility is created that provides you with "money" that is made out of thin air. As hard as it is for you to accept this, the money loaned to you was simulated (ie virtual).

To illustrate: A customer deposits R100 into their bank. The bank then quickly makes nine photocopies of that R100. They lend those photocopies to nine people, charging interest on each of those so-called loans. Then, if the loan is not paid back with interest, they take away the assets pledged as security.

In reality banks do not use a photocopier, they use a computer. The loan amount is typed into the computer and, hey presto, "magical" money is created out of thin air. You think that this money is a loan, or debt so you feel obligated to pay it back. However, it was never actually *lent* to you in the first place.

3. Would the bank be prepared to amend the credit agreement as follows: “We, the bank, did in fact possess the money we loaned you, prior to the loan being approved.”

If NewERA was wrong, then the banks would have no problem complying with this request. However, see for yourself: they will not agree to amend the contract.

If your loan has been securitised, your original agreement is no longer with the bank! A bank loses all right and title to the loan agreement once it has been sold into a securitisation scheme. One cannot amend an agreement when they are no longer legally entitled to it, nor do they have it in their possession. Furthermore, any indebtedness to the bank would have been settled as a result of the sale of the asset.

Put simply, no matter what the situation, the bank did not possess the money it loaned you, and never did. They are fooling you and participating in a fraud of monumental proportions. The fraud is that they cannot take away your assets without disclosing the truth to both you and the Court.

4. Was the loan funded by assets belonging to the bank at the time the loan was granted? Either way, please describe in detail the accounting process used to create my loan.

If everything is legitimate and above board, then banks should have no problem explaining how your particular loan came into being. However, banks will not reveal this to you. When you ask your bank these questions, you will see for yourself.

You need to know something else about banking: Banks do not deal with actual, physical “money.” Instead, they operate with *promises to pay*. For example: if a bank promises to pay you R10,000, that would equate to a R10,000 deposit into your account. This deposit is reflected on your statement as a promise of the bank, to you, for R10,000. In other words, it looks like you have R10,000 in your account, but actually this number merely represents R10,000 worth of promises made by a bank to you.

The words “money” and “deposit” are therefore misleading. The banks redefined these words so they sound the same in everyday use, but mean something very different to the legal and banking system.

Another word being misused is the word “transfer.” A *transfer* is not a transfer of money. It is simply a case of the bank shifting their promise to pay A to a promise to pay B. This is only an illusion of a transfer.

Do you remember when you first took out a loan? You gave the bank a promise, in writing, to make payments every month, with interest. This written promise to pay money to the bank becomes the money they used to lend you! Therefore, you actually created your own loan. It takes some time to get your head around this, and we recommend you research the links below to help you understand the process.

5. Did the bank record my promissory note / negotiable instrument as an asset on its books? If yes, how was my instrument used to create my loan, and where is my valuable promissory note / negotiable instrument now?

This question is designed to trick the banks. You want confirmation from your bank that they deal in negotiable instruments (promises). Once admitted, it will confirm most of what NewERA is saying.

Remember, real money (gold and silver, or notes that represent gold and silver) no longer exist. The illusion of money (known as “credit” or “bank promises”) quietly replaced real money so that the banks could fund their own business empire by creating money out of nothing, then charging interest on it.

Negotiable instruments (promissory notes and bills of exchange) serve, in effect, as money. So, when you give the bank a promissory note (a written promise to pay back a loan), they convert *your* promise into *their* promise. Their promise = so called “money.” So you gave them the money they loaned you.

6. Does the bank participate in a securitisation scheme whereby debts / promissory notes are bundled and then sold-on to a third party/parties via special purpose vehicles, entities or alike processes?

This question is plain and simple: we want the banks to admit the obvious. We know they engage in securitisation, but once they admit this to a customer, then the customer would naturally have the right to ask a crisp follow-up question: “*well then, has my specific loan been securitised?*” Remember, if your loan has been securitised, then the whole game changes. This is ultimately what we want the banks to tell us. South African banks are securitising around R30billion per month so there is a very good chance that your loan has been securitised. You need to know the truth, which is why you **MUST** persist in your demand for the answers.

7. With reference to point 6, has my loan securitised? If so, please send me all details regarding its securitization.

It is your right to know about securitisation. If you don’t get answers, then work with NewERA to obtain recourse.

The one institution that answers this question in detail is SA Homeloans. This is because SA Homeloans is not a bank. They explain securitisation openly and transparently. Now contrast the answers from SA Homeloans with those of the banks who go dead silent when you ask them this question. In some cases, banks will reply by stating that your loan has not been securitised. This is quite rare – usually they just ignore the question. They certainly won’t tell if you if your loan *has* been securitised. Read the links below for more on securitisation – this is very important.

8. Does the bank have a legal right to collect money it claims I owe it? If so, then were does this legal right come from, assuming the loan has been securitised?

The bank only has one counter argument to this: *there is a contract between you and the bank*. However, if your loan has been securitised, the contract is sold! It’s gone. The bank no longer has the contract, nor does it have the right to that contract. What part of this do the banks not understand? If a bank alludes or pretends they have it, then we believe that they are committing fraud.

The contract between you and the bank could conceivably say anything it wants to. The fact is that it has been sold and the bank has lost all rights to it. In our opinion, the bank cannot legally, ethically or morally claim back the debt from you because they have already been paid and profited.

9. Has my loan with the bank been settled by a special purpose vehicle, insurance policy, or by any other party?

This is going to shock you, so be warned. When a loan is securitised, your loan gets bundled with other loans and then sold to a third party. If you default (miss a few payments), then the third party (called an SPV – Special Purpose Vehicle) carries insurance. They get paid out if you default!

This needs to be emphasised: If you get sick or lose your job, or you cannot meet your repayment obligations, then the secret third parties who trade in your loans get paid out. They are protected against your default. So then... where is your protection? Nowhere. You have no protection because to protect you would mean to inform you of the game and once you know the game, the game is over.

And one more thing... if the SPV is insured so they get paid out if you default... and the bank was paid for your loan right up front when the loan was securitised. So then... how and why are they able to foreclose on your assets? And where does the money go from the sale on the Sheriff's auction? This is precisely what NewERA is fighting to expose.

10. Regarding the security given to the bank by me, has this security been sold on or given as security / surety to another party?

This is the final nail in the coffin. Put simply, we want the bank to admit that they no longer have your security. If they do not have your security, then they cannot foreclose. The banks will never admit this because it means admitting that trillions of Rands in foreclosures of assets over the past two decades would have been illegal. This would lead to the biggest class action lawsuit of all time... which is happening now, so join NewERA!

www.newera.org.za



Reference material and additional research:

1. Articles and information on securitisation in South Africa:
 - a. <http://www.newera.org.za/stop-the-conspiracy/>
 - b. <http://www.newera.org.za/sa-banks-must-pay-out-big-time/>
2. Audio interviews with our legal advisor, Raymond Dicks: <http://www.newera.org.za/explosive-interview/>
3. Video: "The Dark Secrets of Money (and what we can do about it)" including all reference material: <http://micro2.majesticinteractive.co.za/bf.php?fid=1185&id=fc5a2bc50d869d28>
4. The Bills of Exchange Act: <http://www.mangaung.co.za/Legal-Services/Documents/Bill%20of%20Exchange%20Act.pdf>
5. "The Big Case" court documents and commentary / explanation of the case file: www.thebigcase.co.za
6. The best Facebook sites for up to the minute news and information:
 - a. <http://www.facebook.com/groups/324903827599853/>
 - b. <http://www.facebook.com/NewEconomicRightsAlliance>