Ghost Lending Risks Threaten Brokers and Borrowers, Says Archer Wealth

Unscrupulous "ghost lenders" vanish before settlement, leaving clients stranded. Archer Wealth warns brokers to be vigilant and protect borrowers.

Gee Taggar

SYDNEY, AUSTRALIA, October 8, 2025 /EINPresswire.com/ -- A troubling trend in the lending industry is emerging: lenders who vanish at settlement after promising favourable terms. Known as "ghost lending," this phenomenon poses serious risks to both brokers and borrowers, according to non-bank lender Archer Wealth.

Ghost Lending: What Is It and Why It Matters

Ghost lending refers to lenders that offer seemingly attractive loan terms — low rates, high loan-to-value ratios (LVRs), fast approvals — but disappear or refuse to settle when it comes time to provide the funds. The fallout is severe: borrowers can be left without financing, yet legally bound to contracts, while brokers suffer reputational damage.

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> *Gee Taggar, Founder & Managing Director, Archer Wealth*

One high-profile example involved a property developer from Wantirna, Victoria. After defaulting on a previous lender, the developer sought $3.75 million in urgent refinancing. A ghost lender appeared to offer a solution, required an upfront fee, and lodged a caveat against the client's property. But at settlement, the funds never materialised. The client's property was trapped, and he risked contractual and legal consequences.

Archer Wealth intervened, structuring a legitimate facility within five business days at 70% LVR and enabling the client to settle the deal and retain his property.

Ghost lending thrives in the relatively lightly regulated private lending space, where gaps and loopholes make accountability difficult. Many ghost lenders also prey on urgency, targeting clients who have no time to vet properly.

Protecting Clients: What Brokers Must Do

To guard against ghost lending risks, Archer Wealth recommends three critical guardrails:

1. Perform rigorous due diligence
Before introducing a lender, verify credentials, research their track record, check reviews, request references, and confirm licencing status.

2. Recognise red flags
Warning signs include overly generous rates or LVR, demands for large non-refundable upfront fees, unclear documentation, vague communication, inflated valuations, and excessive exit fees.

3. Maintain fallback options
Keep trusted, reputable lenders ready as backups. If a deal begins to falter, having a reliable alternative can save a client from financial disaster.

“Ghost lending is a nightmare scenario for brokers and their clients. Vigilance and strong lender relationships are essential to avoid disaster,” said Gee Taggar, Founder & Managing Director of Archer Wealth.

Why This Trend Is Rising

Several factors help explain the proliferation of ghost lending:

Regulatory gaps in private lending: Private credit spaces often lack the same level of oversight as big banks, allowing unscrupulous operators to flourish.

Economic pressure and urgency: Increasing economic stress drives borrowers into quick-decision territory, making them more susceptible to predatory offers.

Desperation triggers risk: When a borrower faces imminent loss or legal deadline, they may bypass caution in hope of a lifeline.

About Archer Wealth

Archer Wealth is a leading Australian non-bank lender specialising in bespoke credit solutions for business owners, developers and borrowers underserved by traditional banks. With a national team, deep credit expertise and a client-first ethos, Archer Wealth provides speed, certainty and strategic funding support when it matters most.
https://archer-wealth.com

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