



## What to expect when you are the debtor

### Your personal details will be entered onto the PPSR

When you buy personal property on hire purchase, or use personal property as security for a loan or another type of credit providing transaction, the secured party will probably register details of the security interest in the Personal Property Securities Register (PPSR).

Those details include:

- your name
- your date of birth
- your address and
- a description of the personal property.

The PPSR does not record financial details of the transaction, e.g. the amount borrowed or the value of the personal property. This registration is referred to as a financing statement.

### You should receive a copy of the information registered on the PPSR

When the security interest is registered, the secured party (e.g. the lender, finance company, bank etc) must send you a verification statement, unless you have waived this right in writing. The verification statement is essentially a copy of the financing statement and tells you what has been recorded about you on the PPSR - it also includes a Debtor PIN. You will need the Debtor PIN if you ever need to demand a correction of those details by the secured party (this is referred to as a Change Demand). The debtor or interested person may also request the debtor PIN from the secured party.

- [View a sample verification statement \[350KB PDF\]](#)

### Notes

- Read the terms and conditions of any security agreements before signing them. Many secured parties now include clauses in their agreements relating to the PPSR (including a waiver of your right to receive a verification statement and a requirement for you to keep the secured party informed of any change of name or address). You need to understand what you are agreeing to and the possible implications.
- The Debtor PIN is a personal identification number generated by the PPSR when a financing statement is registered.
- A verification statement is produced when a security interest is first registered and each time the registered details are updated.

### You have the right to request correction of any inaccurate details

If you discover that any of the security interest's details recorded on the PPSR are wrong, you have the right to ask them to be corrected.

In certain circumstances you can take the step of lodging a change demand to formally request correction of the registered details.

### Disposing of property that is subject to a security interest

If you owe money on personal property you should not sell or dispose of the property without getting permission from the person or company you owe the money to. If the secured party has registered their security interest on the PPSR, they may repossess the property from the person you have sold it to. In this situation, that person is likely to seek repayment of the purchase price from you.

### The register should be updated once you have repaid the debt

Once you have repaid your hire purchase or loan etc, the secured party must discharge the registered financing statement. This means that the financing statement will no longer appear on the live register or be available for general searching. In the case of consumer goods, this should be done within 15 working days.