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Personal property security refers to secured loans using your property as a form of collateral. This has been the subject of recent attention since the PPS act dictated that all the PPS agreements had to be registered, regulated and accessible.

The basic idea behind PPS is basically to make loans much cheaper by protecting them with your property. What this essentially then means is that you are using your property, which in this case is known as a 'security interest' as a failsafe for the loan and saying to the lender 'if I fail to pay back the loan then you can sell the property in order to make the money'. That in turn enables you as a borrower to get a loan for much cheaper and to get larger loans even if your credit rating isn't shining.

When a loans company you see offers you money, they are basically investing in you much as you might invest in stocks and shares. That essentially means that they are taking a small gamble and assuming that you are likely to return on their investment by giving them back more than they put in. However there is of course a risk here that you might run off with the money, fail to pay back the loan, or just generally cost them rather than earn them. If you have failed to pay back loans on time or in full in the past, then this will mean you have a bad credit rating which is the banks' way of telling each other than you aren't a particularly safe bet. In turn this then means that you are going to struggle getting a good loan with a low interest rate and for a high amount. That then is why it's very much a good idea to use a security interest such as a property in order to give the lenders the assurance that one way or another they will get their money back or at least the majority of it. However it can of course also be a risk to bet your property on your ability to pay back the loan so it's important that you are very confident before you take the loan out.

When you do this your property needs to be listed as a security interest. Under the PPSA that then means that it has to be entered into a special digital register where it can be accessed for a fee by other financial institutions. This register can help to simplify the process of security interests and avoid complications. For instance it can help to avoid scenarios where someone uses their property as a security interest in two conflicting cases, or where a property is sold but the details are not updated. This makes it a very useful new system but it's very important that as a protected party you familiarise yourself with the new system.

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