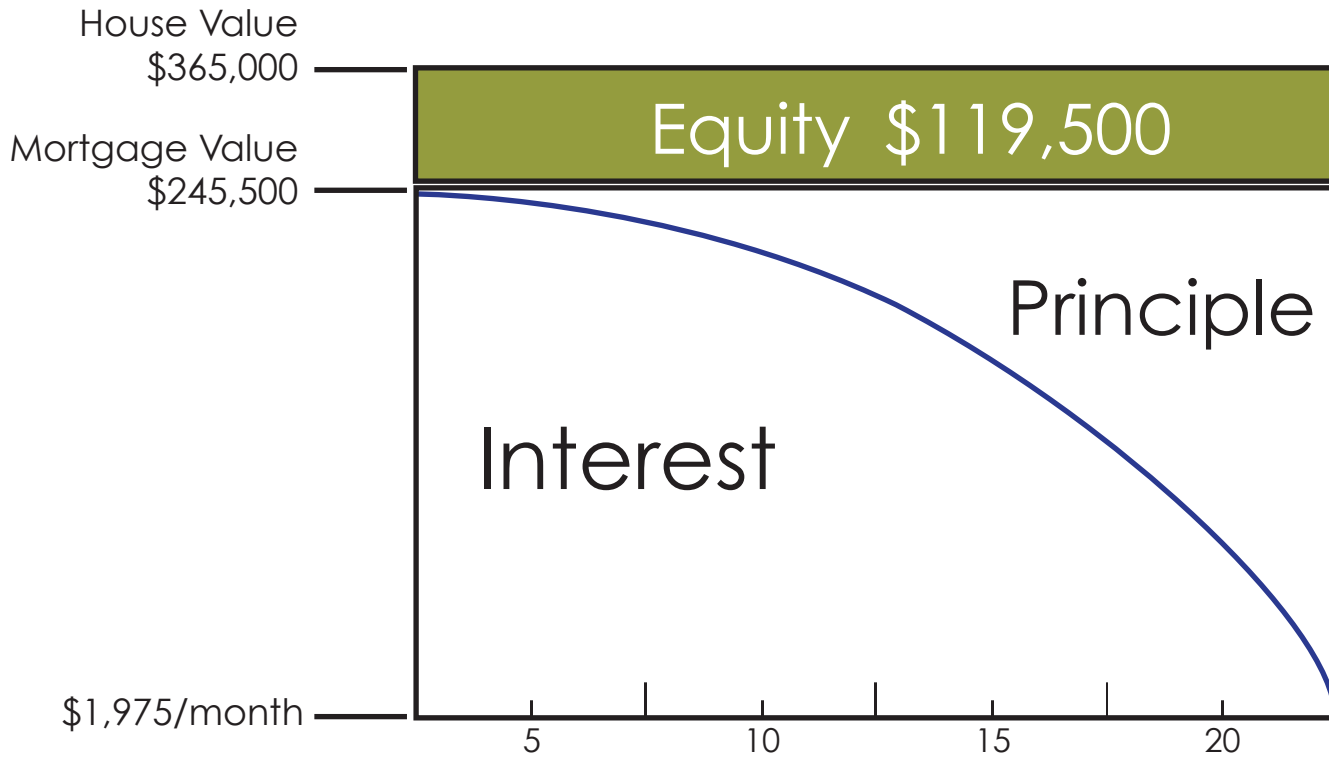


# The Mortgage Box



## Sample Situation

Let's say you purchased a house for \$300,000 five years ago.

You put 5% (\$15K) down payment.

This leaves you with a mortgage of \$285,000, and the rate was 6%, over 25 yrs amortization

If you chose a bi-weekly payment you would be paying \$911.72/bi-weekly

For comparison purposes lets convert to a monthly payment....

$\$911.72 \times 26 \text{ payments} \div 12 \text{ months} = \$1,975.39/\text{month}$

## Lifestyle Mortgage

House value 5 years ago was \$300,000.

Assuming 4% increase per year would give the house a value of \$365,000 today

Current mortgage balance after 5 years is \$245,500

If we access \$80,000 of the almost \$120,000 in equity.....How would that help??

Lifestyle mortgage of \$325,500 at 5%\* for 35 yrs equals a \$1,632.12 per month

That is \$343.27/m less than the current payment!!!!



### **Fast Pay Plan**

The Lifestyle plan, using the \$80,000..... plus adding the \$340 every month..... at return of 15%.....What happens???? The Lifestyle plan grows to \$293,700 in 7 years and 9 months, which will be enough to pay out the mortgage balance of \$292,733.00.....leaving a few extra dollars in your pocket!!! (\$967)

OR

After 20 years .....which is the same time it would take you to pay off the mortgage if you remain with the original plan....you would be Mortgage Free AND your Lifestyle plan grows to.....\$1,760,527.90

### **Cash Flow Plan**

The Lifestyle plan, using just the \$80,000 and using the \$340 every month as extra cash flow to increase your lifestyle.....this option could pay out the mortgage in 9 years and 2 months, at which point you owe \$285,266.72.....leaving a few extra dollars in your pocket!!! (\$2,795)

OR

After 20 years .....which is the same time it would take you to pay off the mortgage if you remain with the original plan....you would be Mortgage Free AND your Lifestyle plan would have grown to.....\$1,309,322.99

\* Sample rate only, best rates upon O.A.C.

\*\* Information contained herein is based on certain assumptions and is for illustration purposes only. While care is taken in the preparation of this document, no warranty is made as to the accuracy or applicability in any particular case. There has been no account for the taxation of growth on these assets, please seek independent accounting advice.