



LIBERTY *Trust*

Questions & Answers

Q 1 – What does Liberty Trust do?

A – We promote the Christian faith by teaching & demonstrating how following the Bible's financial principles brings liberty and advances the Kingdom of God. Part of our ministry is lending interest-free to enable New Zealanders to own their own homes, churches, and ministries without debt, so they can be free to fulfill God's call upon their lives.

Q 2 – How does it work?

A – Your contributions assist with our charitable activities and build an interest free storehouse to help others. Those who contribute to the Trust for 8 or more years are offered an interest free loan by our lending charity, Ark Resources, of six times their total contributions.

Q 3 – Is the loan really interest free?

A – Yes, every dollar paid after receiving your loan goes directly to reducing your loan principal. Loans are offered up to 100% of valuation, subject to normal lending criteria and secured over a registered residential or church property.

Q 4 – Can anyone join?

A – Yes – anyone may join. Liberty Trust is ideal for: Children, students, singles, couples, parents, grandparents, whanau, churches, charities, church workers, missionaries, ministry supporters, family trusts and sponsorship of others.

Q 5 – What happens to my contribution?

A – Your contribution will be combined with the contributions of others and lent interest-free again and again to release churches and households from bondage. This is a powerful testimony of God's people working together in unity. Already every dollar contributed has on average been loaned, repaid, loaned, repaid, and loaned a third time! Your seed will just keep multiplying!

Q 6 – How soon can I be offered a loan?

A – Loans are offered in the order people join Liberty Trust, as soon as funds are available. This is normally around 8-9 years. Or you may contribute more for a loan offer sooner, see question 10.

Q 7 – What about the loan repayments?

A – We ask that the loan is repaid within 7-10 years, or as soon as reasonable, to enable the funds to be re-lent to help others as soon as possible. The loan repayments are arranged based on your situation at the time of lending.

Q 8 – Can you provide an example?

Here is an example* comparing \$300,000 borrowed interest free with a \$300,000 bank mortgage:

Contribute \$500/ month to Liberty Trust for 8.5 years	\$50,000
Then borrow \$300,000 & repay at \$2,500/ month interest-free for 10 years	contribution
<u>Or</u> Borrow \$300,000 from a bank and repay mortgage at \$2,500/ month	\$115,021
at 5% interest pa* for 14 years	interest

* This example is deliberately simple and assumes interest-rates remain at this rate throughout.

Q 9 – How much deposit will I need?

A – Most lenders require a deposit of 20% for your own home, 30% for an investment property and 40% deposit for church properties. Liberty Trust requires **no deposit**. We can lend up to 100% of the value of your home, investment property or church property.

Q 10 - How much should I contribute?

A - Our standard contribution rate is 2% of your loan application each year for 8.5 or more years. For this, you will be offered an interest-free loan of six times your contribution balance. Alternatively, you can contribute more for faster memberships:

Contribution Years	Contribution Total	Contribution per year	Contrib per month per \$300,000	Loan Multiple
8.5 years	17%	2%	\$500	6 times
7.5 years	30%	4%	\$1,000	3.33 times
6 years	36%	6%	\$1,500	2.78 times
5 years	40%	8%	\$2,000	2.50 times

Q 11 – Can I contribute a little now and increase later?

A – Yes. You can apply for a small loan now and increase it later when you can afford more. We calculate a delay to reflect the change so that it will not adversely affect others. For example, if the contributions were doubled after 9 years this would increase the waiting time by 24 months.

Q 12 – Do I have to wait before buying a home?

A – No, if have a deposit and you want to buy your property immediately then don't wait for us. We can replace your mortgage with an interest free mortgage when it is available.

Q 13 – How safe is Liberty Trust?

A – Liberty Trust is a New Zealand charitable trust, operating since 1989, and we report to two local churches. We have provided over 500 interest-free loans totalling over \$54 million and are currently lend over \$5 million each year in new lending. We have been vetted by an independent qualified actuary and our financial accounts are audited annually and available to the public. Unlike the banks, we don't borrow or leverage - we have over \$17 million in continuous interest-free circulation and no debt. We are not subject to interest rate or credit fluctuations and you have the certainty of knowing from the outset what your cost will be. Interest rates can rise or fall but your contribution and repayment rate will not change.

Q 14 – Would Liberty Trust be suitable for my children?

A – It's particularly suitable for them – by starting in Liberty Trust while they are young they can have an interest-free loan ready and waiting for them. Many parents start \$20 per week memberships for each of their children. As each child begins earning they can take over and add to the contributions themselves. Children and young people can be debt free decades sooner than their peers and save paying many hundreds of thousands of dollars in interest. By joining the Liberty Trust community they can help others and borrow following principles laid down in the Bible over four thousand years ago.

Q 15 – Would Liberty Trust be suitable for my church?

A – Yes! Instead of paying hundreds of thousands in rent or interest at commercial rates your church can borrow interest-free while supporting God's Kingdom. To borrow \$600,000 from a bank you would need a \$400,000 deposit plus you would pay over \$300,000 in interest. To borrow \$600,000 from Liberty Trust you would just contribute \$100,000 to help others, no deposit is required, and no interest is charged, saving \$300,000 for God's Kingdom! If you decide not to go ahead with the project your contributions can be requested back by the church. Contact us for more information.

Q 16 – How can I join?

A – You can download our joining form from www.libertytrust.org.nz/join and set up your contributions to the Liberty Trust bank account 03 0490 0237819 00. Or send us an email to info@libertytrust.nz or call us on 0508 Liberty (which is 0508 542 378) should you have any questions. Our website includes teaching, newsletters, interactive examples, endorsements from Christian leaders and scholars, and 250 inspiring testimonials from New Zealanders who have received interest free loans.