



LIBERTY *Trust*

Questions & Answers

Q 1 – What does Liberty Trust do?

A – We seek to advance the Christian faith by teaching & demonstrating the Bible's financial principles, to assist those in financial difficulty, relieve financial burdens and advance the Kingdom of God. Part of our ministry is enabling New Zealanders to own their own homes, churches and ministries without long term 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 up to 10 or more years are offered an interest free loan by our lending associate, Ark Resources Limited, of up to 5 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 bank lending criteria and must be 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, church workers, missionaries, ministry supporters, family trusts and sponsorship of others.

Q 5 – What happens to my contribution?

A – Your contribution is a donation to Liberty Trust to help others. Less than 10% is spent teaching the Bible's financial principles and on our marketing and administration, and more than 90% is lent and re-lent without interest to assist hundreds of households and churches others out of debt.

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 10 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 \$115/ wk to Liberty Trust for 10 years	\$ 60,000
Then borrow \$300,000 & repay at \$577 per week for 10 years	<u>\$300,000</u>
	\$360,000
Or Borrow \$300,000 from a Bank at 8%** (20-year average)	
Repay mortgage at \$579 per week for 20 years	<u>\$602,237</u>

* This example is deliberately simple.

** The average NZ floating first-mortgage rate from 1995 - 2015 was 8% pa per RBNZ.
It is difficult to predict what future rates will be.

Q 9 – What if I can't afford a mortgage?

A – Liberty Trust seeks to assist all people to own their own homes, regardless of their income. Those on lower incomes are welcome to take as long as they'd like to contribute, can borrow with zero deposit, and won't be caught by increases in interest rates.

For example a 20-year \$300,000 6% bank mortgage would require repayments of \$496 per week. But if bank interest rates increased by just 2% to 8% the mortgage repayments would increase to \$579 per week.

Q 10 - How much should I contribute?

A - Our standard contribution rate is 20% of your loan application over 10 or more years. For this you will be offered an interest free loan of 5 times your contribution balance. Alternatively you can contribute 30% over 7.5 years, 36% over 6 years or 40% pa over 5 years for faster memberships:

Contribution Years	Contribution Total	Contribution per year	Contrib per month per \$100,000	Loan Multiple
more than 10	20%	less than 2%	less than \$166.67	5 times
10 years	20%	2%	\$166.67	5 times
7.5 years	30%	4%	\$333.33	3.33 times
6 years	36%	6%	\$500.00	2.78 times
5 years	40%	8%	\$666.67	2.5 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 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 been approved by an independent qualified actuary and our financial accounts are audited annually and available to the public. Unlike the banks we don't borrow. We have no debt. We are not subject to interest rate or credit fluctuations and so 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. Many parents start \$10 per week memberships for each of their children. As each child begins earning they can take over the contributions themselves. Children and young people who receive an interest free loan can be debt free decades sooner than their peers and save paying many hundreds of thousands of dollars in interest.

So tell your friends and neighbours to sign up their children for the best investment possible. By joining the Liberty Trust community they will follow God's financial principles, help many others, and likely save a huge amount of time and money when they are ready to buy a home. This is the liberty that comes from sowing before reaping and working together as a community—principles laid down in the Bible over four thousand years ago.

Q 15 – How can I join?

A – Give us a call on 0508 LIBERTY, email info@libertytrust.nz or visit www.libertytrust.nz. Our website includes teaching, newsletters, interactive examples, endorsements from Christian leaders and scholars, and more than 200 inspiring testimonials from New Zealanders who have received interest free loans.