



LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

Charity Reg: CC11287

March 2014
Vol. 2, no. 58

P.O. Box 2211
Whakatane, NZ
0508 Liberty (542378)
info@libertytrust.org.nz
www.libertytrust.org.nz

PATRON

Ps Bruce McDonald

TRUSTEES

Kelvin Deal (Chairman)
Chartered Accountant

Jonathan Segedin
Building Sales

Colleen Medwin
Senior Teacher

Tom McDowall
Operations Manager

Robert Cleland
Dairy Farmer

ADMINISTRATION

Jenny McDowall
Info & Promotions

Kerryanne Dalgleish
Secretary

Kathleen Deal
Administrator

Mark Langridge
Computer Modeling

Therefore, as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience. Bear with each other and forgive whatever grievances you may have against one another.

Forgive as the Lord forgave you. And over all these virtues put on love, which binds them all together in perfect unity.

Col 3:12-14

Welcome!

A special welcome to our 15 new contributors from Christchurch, Amberley, Papakura, Auckland, Gisborne, Te Awamutu and Thames.

It's wonderful to have you join us.

CELEBRATING



In July we will reach our Silver Anniversary! Shortly we will be sending you an invitation to RSVP to one of our celebration dinners:

- **Whakatane** on Saturday 5 July at Liberty Life Church; or
- **Auckland** on Saturday 19 July at The Life Church in Penrose

Followed by a special church service on the Sundays.

It will be a special time to meet and celebrate with a dinner together followed by a notable speaker. Mark one of these dates on your calendars and come and celebrate what God has done!



1989 – What a time to start a completely new Christian ministry without a modern example, parent organisation, or even any capital!

New Zealand was still in economic crises, with widespread business closures and redundancies following the 1987 stock market crash and the government's radical cancellation of all protective import quotas and tariffs and

subsidies to farmers and manufacturers. Home mortgages were 18–25%. Worry, fear and personal hardship were everywhere.

At this time God commissioned us to apply and teach Biblical financial principles such as pooling resources, working together, and lending to each other without interest, that were not commonly understood by Christians at the time. These principles would astound us and challenge the beliefs of many. It is a wonderful testimony.

Liberty Trust at your Church

So many have yet to hear about Liberty Trust. Would you like to host a presentation of Liberty Trust at your church or group? Contact us and if we can't come ourselves we are happy to equip you with a DVD on Liberty Trust and brochures, forms and information to share. Or we could put you in touch with other keen Liberty Trust members in your area - you could host an evening together!





Kelvin Deal
Chairman

Probably the most encouraging part of being chairman of Liberty Trust is the enthusiasm from a great band of trustees and volunteers. At almost every meeting everyone is there. In addition there is the solid work that is ongoing between meetings, as well as our family and church involvement.

Lately the work-load for Kerryanne has been particularly demanding due to her pregnancy, and then the birth of baby 'Keziah' on 18 January. Thanks Kerryanne and our congratulations to yourself and Aaron.



Our financial year is drawing to a close this month and it has been a great year for many reasons: we have welcomed twice the number of new members as the previous year, the Inland Revenue have concluded their 4-year investigation of Liberty Trust and are satisfied with our operations, we have offered loans to all the Liberty Trust Auckland members who joined us in 2007, and we are way ahead of schedule with our lending.

Waiting Times

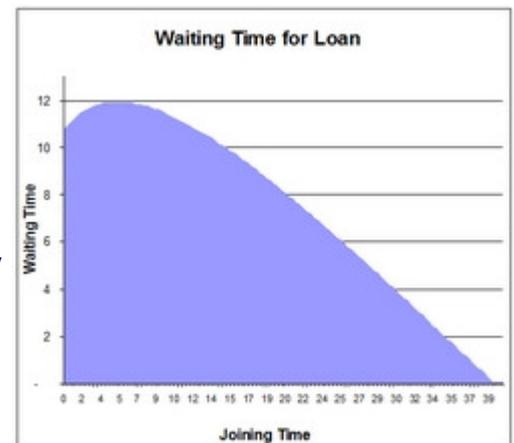
You would think that lending interest-free would be a breeze but this is increasingly one of our biggest challenges, particularly in the last few years. Unlike the banks, where people seek a mortgage because they are ready to buy, only about a third of members are typically ready to use their interest free mortgage when it is offered. Another third take it up within 12 months, and the remaining third place theirs 'on hold' for quite a long time. Many of these are younger members whose memberships were commenced by their parents. The children may have only contributed for some of the period of membership after they began earning, and wish to contribute more.

According to our computer modelling the expected wait time is ten-twelve years. However for the last several years we have been offering loans to people who have only waited eight or nine years! Initially this is because in we had lower numbers joining in 2000–2005 while bank interest rates were very low and house prices were rising at 10% per annum. However God had this all worked out in His perfect plan and He knew just how we should use that time. After merging with Liberty Trust Auckland in 2007 we were able to use our funds to offer loans to their 100 members as well as our own, and allow them to receive loans much sooner than expected.

Now we have offered loans to all the Liberty Trust Auckland members and we are offering mortgages to those who joined Liberty Trust in 2006, several years earlier than they expected!

Why are we still so far ahead of schedule despite our extra lending?

One reason is because of the number of loans placed 'on hold' mentioned earlier. Another reason has been predicted since we began 25 years ago. The model of theoretical wait times on our website shows that, providing the number of new members joining remains constant, then eventually, about 35 – 40 years after commencement, we would have more cash than we have members to lend to. In other words, eventually we would be lending immediately, without any wait time. While we have been aware of this forecast from the start, we have also known that as wait times fall, the number of new members will likely rise, raising the waiting times again and effectively off-setting the model's prediction. The contributions provided by our members has built a \$10 million interest free storehouse to help others. This storehouse is in continual use and each dollar contributed has been lent and re-lent three times already. Despite the increasing numbers joining Liberty Trust, particularly in our last 9 years, this storehouse has resulted in a decrease in our waiting queue, Because of this storehouse the viability of the trust is considerably greater.



What Does this Mean for the Future?

Liberty Trust's waiting times are presently around 8 years! Whether or not they rise again depends in-part when people will be ready for their loans, and that is one fact that not even computers can predict! This year we have sent out loan invitations to all who joined in the first half of 2006, and will be sending to the remaining 2006 members in the coming months. If you joined in 2006 or earlier and are ready to take up your interest-free mortgage, we would be pleased to hear from you. As you will have only contributed for eight years we are offering to lend to you the remaining two years' contributions as an addition to your mortgage.

We are able to relax a little the rate at which mortgages from Ark Resources need to be repaid, from 7 years to 7-10 years. Above all we want to assist as many as we can. And if you have been invited previously to take up your mortgage but have placed it 'on hold', feel free to email or phone us to talk to him about your situation.

Meanwhile the Reserve Bank have announced the first of what it expects will be four increases of 0.25% in the OCR this year, in an effort to curb house price inflation in the cities. Bank economists are predicting four more similar rises next year, and more in 2016. It's a good time to be interest-free!

Best wishes, Kelvin

