



# LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

Autumn 2005  
Vol. 2, no. 23

Post: P.O. Box 2211  
Whakatane, NZ  
Ph: 07 308 4187  
A/h: 07 307 0444  
Fax: 07 308 6308  
Email: info@libertytrust.org.nz  
Web: www.libertytrust.org.nz

## TRUSTEES

**Kelvin Deal** (Chairman)  
Chartered Accountant

**Jonathan Segedin**  
Master Builder

**Colleen Medwin**  
Senior Teacher

**Mark Langridge**  
Info Services Manager

**Tom McDowall**  
Operations Manager

**Robert Cleland**  
Dairy Farmer

Treasurer & Admin:  
**Kerryanne Dalgleish**  
Accountant

Administrator:  
**Kathleen Deal**  
Office Administrator



We are thrilled to welcome 18 new members this quarter. These include three men from Onehunga Auckland and one

from Kati Kati, couples from New Lynn, Manukau and Takanini Auckland, a family who have re-joined after repaying their Ark Resources loan, a Reverend from Huntly and families from Lower Hutt and Hastings who have each started memberships for the parents and each of the children. Two of the children are investing half of their after-school earnings into Liberty Trust.

### **Psalms 21:20**

**The wise man saves for the future but the foolish man spends whatever he gets.**



## From the News:

### Sunday Star Times

Front page 13/3/05

Budget experts warn that the National Bank's new 100% mortgage option could be a disaster for those coping with student debt and rising house prices.

The move by a mainstream bank into no-deposit loans comes as rising interest rates and soaring house prices put a first home out of reach for many.

Home ownership levels fell from 74% in 1991 to 68% last year.

First home hunter and Auckland magazine sub-editor Mark Broatch says it's about time someone started innovating to help homebuyers.

"I think anything they can do to help first home buyers has got to

be a good thing. Some people now are getting into their 30s, like me and my partner, and haven't been able to save a deposit. I would certainly look at it."

The interest on a \$220,000 house with a \$200,000 mortgage at 7.8% over 25 years is \$212,767.

A 100% loan over the property would yield the bank \$234,043.

**Editor—I think someone should tell Mark Broatch that Liberty Trust started innovatively helping home buyers over 15 years ago! Through Liberty Trust you donate 1% pa to help others, save a 10% deposit and save the over \$212,767+ in bank interest(!) while becoming debt free sooner!**

## Flexible Applications

Please remember that your contributions to Liberty Trust and application for an interest free loan are flexible.

If your original application is no longer appropriate you are welcome to increase or reduce your application and contributions to suit. We ask that you contribute 2% of your forecast borrowing needs each year to total 20% over ten years.

Those who started before we offered this flexibility may have applied for a loan of \$70,000 although your actual borrowing needs may be different. You are welcome to amend your application and catch up or reduce your contributions to meet your target.

Please contact us if you'd like to amend your application or would like to know further details of your membership.



*As long as the earth endures seedtime and harvest will never cease. Gen 8:22  
The Lord is faithful to ALL His promises. Ps 145:13*



Train a child in the way he should go, and when he is old he will not depart from it.

The rich rule over the poor, and the borrower is servant to the lender.

Prov 22:6-7

You will lend to many nations but will borrow from none.

The Lord will make you the head and not the tail.

Deut 28:12-13

So be careful how you act, these are difficult days.

Be wise, make the most of every opportunity you have for doing good. Don't act thoughtlessly, but try to find out and do whatever the Lord wants you to.

Eph 5:15-17

## Our Children

Well the team came back from our Parachute 2005 tired and dusty but stimulated. This year we were encouraged by the concern shown by parents asking for assistance to teach their children to earn and save for a home later in life. Furthermore we found that young people passing through the marquee were just as concerned.

Newspapers and the media are beginning to expose the cost of bank interest and the difficulty young people face in owing a home. The Sunday Star Times quoted falling ownership levels from 74% in 1991 to 68% last year (see front page). If that rate continues more than half of today's teenagers will be stuck in a rental accommodation all their lives, having to comply and move on every time their landlord wishes, without hope of ever owning a home of their own or being free from the cost of housing.

Parents need to assist their children to set saving goals and habits now. Most young people leave school with no idea how to resist consumer peer pressure and tempting advertisements. Nor do they perceive the full danger of credit card spending and easy loans. They don't understand that "the borrower is servant to the lender".

Since Parachute the trustees have been meeting regularly with the aim of preparing a program that will assist parents to teach their children biblical principles of saving for a home, and teach them about the financial world they are growing into. We have always recommended that families help their children join Liberty Trust and subsidise their contributions until they commence earning. It is important that our children learn of sowing and reaping and God's plan of liberty for their lives. Through Liberty Trust they can own their own home debt free sooner and can give more generously to God's kingdom.

However a major impedient to our young people is the burden of Government student loans. How can young people save for and repay a home mortgage while struggling with a student loan?

**We propose** to provide an interest free loan to contributors to refinance their student loan when the government begins to charge them interest. Once graduates are earning they should have no trouble repaying this and continuing their contributions. Soon they will be purchasing their first home interest free and looking forward to being debt free.

They can then pass on the blessing by starting their children in Liberty Trust to receive their own home interest free. We hope that those who do not take up the early student loan offer will pass on half of their contributions to start the next generation. Either way our challenge is to educate and equip God's people to establish a Godly debt-free legacy for generations. We would welcome your comments on this proposal.

We must train our children in God's ways (Proverbs 22 v 6) and prepare them to be wise and purposeful in today's world.



Kelvin Deal, Chairman

