



LIBERTY *Matters*

NEWSLETTER OF LIBERTY TRUST

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Dear friends

We are pleased to send you our first newsletter for 2008. Requests to join our ministry have continued to increase each month. We have welcomed 23 new members since September. This month we will hold a display at the Parachute Music Festival in the Waikato. Call in and see us at the Global Expo, we'd love to meet you.

Our big news we are bursting to share is primarily for you our contributing family ...

Great News for all Contributors



The Charities Commission has recently approved Liberty Trust as a charitable entity under the Charities Act 2005. We were approved as charitable by the Inland Revenue in 1990 and it is wonderful to have our charitable worth publicly acknowledged again. We are particularly excited about the significant financial benefit this will bring to you, our contributors.

The Government announced in the 2007 Budget tax incentives to "reward and encourage charitable giving" to charities registered by the Charities Commission. Previously the maximum anyone was able to claim as a rebate on charitable donations was \$630. From 1 April 2008 the rebate threshold will be removed so that givers can receive a 33% rebate on all donations (up to the level of your annual net income). This is incredible!

Since 1 July 2004 only 50% of your contribution to Liberty Trust has been regarded as a charitable donation and the remaining 50% regarded as non-charitable pre-payments on a new membership or an interest free loan. This has been at quite a cost to the growth of our storehouse and quite confusing to contributors who disliked having to wait 10 years to use the 50% prepayment in only one of two ways.

Questions you may be Asking

Q. How do I claim the tax rebate?

We will send you a tax receipt in April 2009 for you to send to the Inland Revenue.

Q. What can I use the tax rebate for?

You would be welcome to use your tax refund to contribute further into Liberty Trust and achieve your goals with greater ease, or to use it in any other way God would prompt you.

Q. Is there a way I can claim a tax rebate on the non-charitable pre-payments I have made?

Yes, just let us know if you wish to donate these prepayments and we will include half of your contributions since 1.7.04 in your April 2009 donations receipt so you can claim the 33% rebate on these.

Should you have any questions please give us a call or email at admin@libertytrust.org.nz.

From 1 April 2008 we will regard all of your contributions as a charitable donation so that you can receive 33% back from the IRD the following year to use however you wish! In April 2009 we will send you a donation receipt for your full contribution over the previous financial year to send to Inland Revenue .

The Government has acknowledged our worth and wishes to reward you, our contributors. This is a win-win for everyone and an incredible answer to our prayers, and will generate greater financial liberty across God's Kingdom.



who stole my money.com

A budgeting tool for Kiwis that is simple to use, fast to set-up and built to help you get your money sorted so you can start saving! - And the best part? It's Free!

Why have so many NZ Finance Companies Fallen Over?

I think 14 companies have now crashed, losing New Zealand investors many millions of dollars! Most had been taking risks, gambling with other people's money - which may work when things go well but when the squeeze is felt they inevitably come crashing down. There are three obvious risks these companies have taken:



1. Risky Lending

A lender is only as safe as the quality of its loans. Bad loans were the common reason for the collapse of most of the finance companies. They have been lending other people's money on risky vehicle hire purchase or to companies personally associated with the directors, which in turn had lent on speculative ventures that fell over. In short—Greed.

2. Short term Borrowing

A wise saying is: “Never borrow short term and lend long term” but all banks and finance companies do this. In doing so they must constantly replace their short-term borrowing with new borrowing, in order to continue financing their longer-term lending. That source of borrowing has dried up because people and other banks no longer trust them.

3. Dependence on others with Bad Lending

When faced with a funding shortfall NZ banks and finance companies traditionally turn to overseas institutions to borrow their shortfall. But this time the overseas institutions were short of cash for the same reasons. You see, banks in America had been lending to others, who lent to others, etc. until no one quite knew what their money was actually used for. To their surprise, it was being lent on “sub-prime” residential mortgages. These mortgages are high risk loans lent to people who can't afford normal mortgages. The lenders gave the mortgages at artificially low interest in the expectation that when the interest rates rose and the borrower's defaulted on the mortgages the lenders would carry out mortgagee sales to recover their money. In other words, they would lend money at a discount to the poor then raise the interest rates and sell their houses on the cheap! Pretty mean & greedy right!

However so people have defaulted on their mortgages that the mortgagee sales have caused a glut in house prices in many of the poorer cities in America. The lenders can't sell the houses for enough to repay the loans. This is causing many banks and financial institutions to fail, not only in America but all around the world! The massive losses in US housing markets by big lenders has caused share markets in Europe, Australia and New Zealand to all fall dramatically as fears of a US recession grow.

Are NZ Banks at risk as well?

The NZ Reserve Bank requires NZ banks to limit their borrowing to 25 times their capital. That means that for every \$4 of assets they own they can borrow \$100 from you through saving accounts (short term) and term deposits. That's a pretty risky position to be in don't you think! If only 4% of their loans turned sour the bank's couldn't repay their borrowing. However, I am certain that the NZ Government through the Reserve Bank would lend to any NZ bank to help it through a temporary shortfall, despite it saying that it wouldn't assist them. It quietly helped the BNZ out a few years ago when too many of its commercial loans fell over.

A Better Way

Liberty Trust owes no money to anyone. Our \$5 million assets are secured over NZ registered properties, and our borrowing is \$Zero! We lend to many but borrow from none (Deut 28:12). Therefore we are free from the problems of the world's shaky systems. Make sure your friends and family are wise to this. Through an interest free storehouse that is based on assets, with no borrowing, we can avoid interest rate hikes and exposure to the of bad lending of others, and can each become free from the burden of debt.

By paying attention to the commands of the Lord your God and carefully following them, the Lord will make you the head, not the tail, you will always be at the top, never at the bottom.
(Deut 28:13) Thank you Lord!



Kelvin Deal
Chairman

