



# 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 5-10 or more years are offered an interest free loan by our lending associate, Ark Resources Limited, of 2.5 - 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 help others. Approximately 5% is used to teach the Bible's financial principles, support the Church & assist the poor, and the remaining 95% is lent and re-lent interest-free, building a storehouse to assist further generations.

### **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 10 years in practice with a maximum of 12 years. Or you may contribute more for a loan offer in just 5, 6 or 7.5 years, as below.

### **Q 7 - 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 Annum	Contrib per month per \$100,000	Loan Multiple
more than 10	20%	less than 2%	less than \$166.67	5 times
<b>10 years</b>	<b>20%</b>	<b>2%</b>	<b>\$166.67</b>	<b>5 times</b>
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 8 – What about the loan repayments?**

**A –** The loan is normally repaid over 7 years but can be extended by either waiting longer or by contributing more. For every extra year you wait (with or without contributing) you can take an extra year to repay the loan, up to a maximum lending term of 15 years. Alternatively you can contribute 30% or 40% evenly over 10 years, for loan terms of 10 years and 15 years respectively.

**Q 9 – Can you provide an example?**

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

Donate \$90/ wk to Liberty Trust for 13 years	\$ 60,000
Then borrow \$300,000 & repay at \$577 per week over 10 years.	<u>\$300,000</u>
	\$360,000
Or Borrow \$300,000 from a Bank	
Repay \$300,000 8%* mortgage at \$577 per week over 20 years.	<u>\$ 601,525</u>

\* Note – this example does not include complicating factors such house-price or interest-rate changes.

**Q 10 – 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 can take as long as they'd like to contribute, borrow with no deposit, and can repay the loan to Ark Resources Ltd at terms that would be impossible at a bank.

For example a 40-year \$300,000 8% bank mortgage would require repayments of \$482 per week. Anything less than \$462 would not be possible as it would not cover the interest. However if you contributed \$65 per week to Liberty Trust for 18 years you could borrow \$300,000 and repay it over 15 years at just \$385 per week!

**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 with a bank loan then don't wait for us. We can replace your bank mortgage with an interest-free loan when it is available.

**Q 13 – How safe is Liberty Trust?**

**A –** Liberty Trust is a New Zealand charitable trust, operating for over 20 years 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. Because Liberty Trust does not borrow 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 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 0800 Lib Trust, email [info@libertytrust.org.nz](mailto:info@libertytrust.org.nz) or visit [www.libertytrust.org.nz](http://www.libertytrust.org.nz). Our website includes teaching, newsletters, interactive examples, endorsements from Christian leaders and scholars, and more than 150 inspiring testimonials from New Zealanders who have received interest free loans.