



The American Dream?

Home ownership has been said to be "The American Dream" but, we know the true American dream is to own your own home *free and clear*. Our goal is to show the average American how to do that in record time in some cases as little as 5 to 10 years!

Depending on your households discretionary income. Simply put, what's left over after all the bills are paid. I know you are thinking right now. What left over money? We will go into that throughout the book. But, for right now I want you to imagine ten years from now your home is free and clear. Meaning you have no mortgage payment. What would you do? I know live again, maybe go on that tropical vacation you have always dreamed about. That's our mission. To turn your dreams into reality and to give back "The American Dream."

Throughout the book we will also show you how to reach a millionaire status in record time. Again I know this is where you shut down and say "yeah right. I can't even keep my bills current half the time". We know that because we have been there too. I'm an American and love this country like anyone else but, why is it, that most of the foreigners who come into this country, and in a short period of time create true wealth? Why? Because they came here with a plan to succeed and were willing to pay a price. The question is are you willing to pay a price to realize "The American Dream?"

Let's start with getting rid of the poverty mindset. Do you really believe that you were put here on this earth to scratch out a living the rest of your life and then teach our kids to do the same? I know you are thinking I hope this book isn't going to be a bunch of self help. Well it's not, but it's true you have to have the end in mind so that you will feel good about staying with the task at hand.

So let's look at this for a moment. Do you think it was by accident that you have the ability to buy this book, have the time to read it, have the eyes to read it, the freedom to read it, to have a home that you want to apply these basic principles to, the job you have to pay for it, the food you are probably eating as you read it, the ability to drive to the store in your car to buy the book, the fact that you walked into the store, etc. Do you get my point? Is it an accident that you live in one of the greatest countries in the world? I don't think so. It's no accident.

So now what do we do with that? We leverage it with all we got. You see you are not on this journey alone. I'm going to be right there at your side. Maybe not in person but, in this book, which means I'm only a book away. So when you get stuck just pick me up again and read it over and over again till you get it. It's okay if you don't get it right away, we aren't in a race. We all learn in different times. That's the beauty of the human race. We are all different. Like a painting with all the different colors. It makes it more beautiful. Not a black and white painting, but colorful. That's who you are – unique and in that you are wonderful. So let's go to work.



Did you know that...

In 1929 only 2% of Americans had a mortgage on their home compared to 65% in 2001.

Did you also know where the amortization concept came from? It was after the great depression as a way to create more home ownership and more profitability for then, the failing banking system. Up to that time most home owners

actually saved up all their money to buy their home. In other cases the common way to borrow from the bank would be a 50% down payment with terms as little as 5 years with a balloon payment at the end. In simple terms, they would have to come up with the rest of the balance or lose the house.

So the banks realized they didn't want to be in the real estate business but, wanted to stay in the banking business. So they decided to double the term to ten years and then 20 years. Till eventually 30 years as we commonly know today. But, now look at it today. We even have loan programs that are as much as 40 and 50 years, in Japan they even have 100 year loans. But, why? Because it allows the average homeowner to have lower mortgage payments. Thus more homeowners, which is a good thing. Now let's remember that the lending institutions are not idiots. So they figured out a way to front load the loans with most of the interest being paid up front.

Ask yourself would you buy a home valued at \$200,000 (with a loan of \$200,000 at 6% for 30 years against it) and pay \$432,000 for it? That's over 100% more than you paid for it, I know what you are thinking "I think not." Then I would like you to simply multiply your monthly mortgage payment by the average loan term of 360 months and see what you come up with. There you have it, your true cost of home ownership. Because of interest and amortization Americans in 2005 paid over \$727 billion in interest alone! Now that not a bad thing if you are on the other end right?

Well unfortunately you are not. That is why still today only 35% of the homes in America are paid for, which still leaves approximately 50 million owner occupied homeowners in the US that need this book. Did you know on average 42% of Americans income has been going towards paying interest. Did you also know that most American families disposable income is spent on paying debts, and is up 65% since 1975.



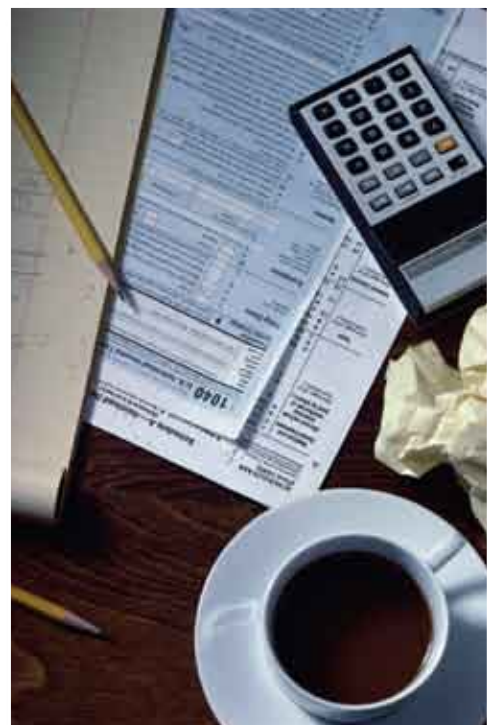


Americans in 2005 owed more than \$8.7 trillion in household debt. Yes, that's with a "t". That's greater than the US national debt. As a matter of fact, the US is the biggest debtor nation in the world and there are only 300 million of us, out of a world population of over 6 billion. The US population in 2006 had a national savings rate of negative 1%. Yes, I said minus 1%. It hasn't been that bad since 1933 almost 75 years ago since the great depression.

So what can we do about all of this? Pay off our homes and use that money we would spend on a mortgage payment and invest it. Even if that money was in a simple savings account at the bank and the home you lived in was free and clear, with an annual housing

appreciation rate of 4% since 1890 to 2004 and an annual cost of living raise of 3% since 1964 to 2004. The average American would be a millionaire by retirement. Yes, that's right a millionaire, without changing one thing from their current lifestyle. This is not a question of home, it's simple math.

How do we do this? But, let's first get rid of the tax deduction scenario. Your accountant tells you to buy a house for the tax deduction and that's true. But it's not the whole picture. Ask yourself the following question: Do I really want to keep a large mortgage as long as possible so I can write off the interest, or would I rather pay off the mortgage quickly, thus leaving yourself with more disposable income? Let's look at a simple example: Let's say your gross household income is \$40,000 like most households in the US, and your monthly mortgage payment is \$1200 a month without taxes and insurance.



Let's go over a few facts first:

- Cash flow is the key to financial freedom. When your cash flow exceeds your expenses, you are doing okay. When your cash flow from passive income sources exceeds your expenses, you are financially free.
- The cost of owning your home is simply multiplying your monthly payment by 360 months or the current term of your loan.
- Amortization is the gradual elimination of a liability in regular payments over a specified period of time.
- Even after ten years, only 30% of your payment is going to principal!
- 15 years into your 30 year mortgage, you will still owe approximately 71% of principal balance that you borrowed, and after 21 years it will still be only half paid off.
- The National Association of Realtors states that most Americans will either sell or refinance their home every 5-7 years.
- Your monthly mortgage payment is divided into principle and interest. Most are front end loaded which means you pay most of the interest up front and most of the principal at the end.
- The banks in the US re-amortize your loan every single day based on the unpaid principal balance.
- The best tax deduction in the US is a business. Even a small, home-based business provides great tax shelters.
- Robert Kiyosaki, author of *Rich Dad, Poor Dad* warns, "the home you live in is an expense, not an asset!"



So what does all this mean?

Let's start with the key to paying off your home is understanding the principle that when your bank calculates the interest payments on your home loan, they usually work it out on the daily balance of your loan and usually charge you that interest at the end of the month which is called 'monthly in arrears'.

The most commonly offered home loan is referred to as a 'Principal and Interest (P&I) Loan.' That's because you are not only paying interest on the money you borrowed, but you are also reducing the 'Principle.' Let's use an example; let's say you have a \$200,000 home loan at 6% interest. The bank told you that if you made payments of \$1200 per month for the next 30 years that your home would be paid off.

Let's say you started your loan in January and you owed \$200,000, and because you were set up to make monthly payments, your daily balance remained at \$200,000 for each day of January until you made your next repayment on the last day of January. That's because most lenders calculate the interest payable for a full month and then charge you that interest at the end of the month.

The formula that banks use to work out the amount of daily interest charged is "loan amount times interest rate divided by 365 days."

We know that not all months have the same number of days. So in order to calculate the interest that would be charged each month, we would have to multiply the daily interest amount by the number of days in that month. Remember the formula is the daily interest times the number of days in the month equals your monthly interest'.



This means that after the first month's repayment was made, a portion of the principal was reduced to give you a closing balance for January. This then became the opening balance for the month of February, and the whole process started all over again. So if you keep making your payment of \$1200, more and more of your payment would be going towards reducing your loan as time goes on.

However, as with most 30 year P&I loans, a large part of your repayment will go towards paying the interest on your loan in the first 10 to 20 years, with only a small portion actually reducing the principal.

Now let's go back to the example of our average US homeowner with an average household gross income of \$40,000 a year and a monthly mortgage payment of \$1200 month without taxes and insurance. Now based on the facts above, we know that most of the payment if not all (if an interest only loan, it's 100% interest) is interest. This would calculate out to about \$14,000 in annual interest. If we minus the interest of \$14,000 from the gross income of \$40,000, that would leave \$26,000 of taxable income. With an average tax rate of 20% that would be a tax liability of \$5,200. Now let's put all this together. If you had a mortgage, your total cash flow effect would be \$14,000 (mortgage payments) plus \$5,200 (tax liability) equals \$19,200. Subtracted from \$40,000 (gross income), that leaves \$20,800 left over to live on.

Let's look at your life without a mortgage payment and see how that compares? Your gross income is still \$40,000 for this example but now fully taxed at 20% equals \$8,000 in paid out taxes, that leaves you with a net income of \$32,000 and with no mortgage payments to deduct, leaves you with \$32,000. Now lets compare your life with a mortgage (\$20,800 left over) and your life without mortgage (\$32,000 left over). Obviously in this example you have \$11,200 more to live on than if you had a mortgage! It's your choice. It's not rocket science, it's math.

Now can we talk about getting your home paid off in a third the time? I thought so, now let's start with an example of what would happen with a one time principal reduction of \$5,000. Let's assume that you have an average loan in the US of \$200,000 at 6% over 30 years. No better yet, let's start with \$5 applied to principal only in the first year. That will knock \$25 off the life of your mortgage. That's a 500% return on your investment! So what's your bank going to give you with \$5 in your savings account these days?

Let's try another example: What if you only paid an extra \$5 a month to "principal only" for the life of your mortgage. That would add up to \$1,800, but saves you \$3,200! That's almost 100% return on your investment!

How about another one? Let's say you didn't want to pay extra. You know, the \$5 extra was getting to be too much. But, instead you divided your mortgage payment in half. Now for this example; we will assume you have a 30 year mortgage of \$200,000 at 6% with a payment of \$1200 divided in half, would be a biweekly payment of \$600 sent in every two weeks, this will save you \$137,000 in interest and knock 10 years off your loan!

Okay, let's do another one. Are we having fun yet? Let's use a mortgage of \$200,000 at 6% over 30 years with a payment of \$1200 and let's say you wanted to get aggressive and make an extra payment per year for the life of the loan. But, you didn't know which month to pay it in? Well let's see what a difference one month can make in a year. If you paid your extra payment of \$1200 every December that would give you a savings of \$48,000! But, what if you made that extra payment every year in June instead? That would give you a savings of \$50,000 or better yet let's go with February of every year instead? That would be a savings of \$51,000! Welcome to the principle of "the principal reduction program."



Okay, one more, I can't help it. Let's say you had a loan of \$200,000 at 6% for 30 years with a payment of \$1200, we know that if you multiplied the payment by the term the true cost of home ownership would be \$432,000. If we took the loan amount of \$200,000 minus the total of \$432,000 we would have a balance of total interest paid of \$232,000. Okay, you are probably asking yourself, that's great but, what does it mean? Well hang on, I'll tell you in a minute. But, let's first show you what a one time principal reduction of \$5,000 can do for you.

Now it's important that every time you send in a principal reduction that, in my opinion, it should be in a separate envelope with a note attached explaining that this money is to be applied to "principal only" very important. We wouldn't want your money going to an escrow account or interest because that would be a terrible waste of your hard earned money and that would also defeat our purpose.

Now that you have applied \$5,000 to your \$200,000 loan in the way of a "principal reduction" the math would tell us that you would have a principal balance of \$195,000. Now let's work with that. \$195,000 at 6% with a monthly payment of \$1200 with an original interest paid of \$231,000 would leave a new interest paid of \$203,000 and would give a difference of \$28,000. But, remember we used \$5,000 of our hard earned money to get there. So let's subtract \$5,000 from the \$28,000 and that leaves a total savings of \$23,000 for a return of almost 450% return on our investment! Or better yet let's divide \$23,000 by our payment and see how many months it saved us on our term of the loan. \$23,000 divided by our payment of \$1200 equals 19 months saved!

So what if we decided to do that twice a year, it would save a total of 38 months over the life of the loan! I know what you are thinking, where am I going to get an extra \$10,000 a year to do that? Well I'm going to go into that in a minute. Trust me. But, stay with me for a minute. So let's look at this, so if it costs me 1 year to save 3 years and I deduct the 1 year from the 3 years saved that should leave me with 2 years, right. You are getting close, so what does 2 of 3 represent? It represents two thirds saved, or better yet, on a 30 year mortgage it would take 20 years off your mortgage which means your home would be free and clear in 10 short years! Drum roll please.

Okay, okay. Let's start with a way that would work if you had no credit worth working with. I'll tell you how you get an extra \$10,000 a year without changing the quality of life. There are a couple of ways to do this. First you might have a \$10,000 cash deposit with your bank at a rate of 4% if you are lucky. Let's go to your bank and ask them for an open ended, variable rate, interest only line of credit, and if at all possible, with check writing capabilities. Hey it's not complicated, it's written down. Take the book into the bank if you have to. Okay, let's move on with the program. Let's say they give it to you, and why not, it's your money you are borrowing against. And if not, find another bank. I know, here we go again. I know you are thinking what if they charge you a rate of 7%? Well let's look at that for a moment. You are getting 4% on the cash deposit minus the 7% for the line of credit. That would leave you a net interest of 3% for the use of the line of credit to have your home free and clear in 10 years or less! Okay, are we feeling better now? Good, let's move on.

Now let's get back to that question of where do I get that \$10,000 a year? Okay, so you don't have it laying around in a cash deposit. Let's try borrowing against your 401k, or better yet, let's try getting a line of credit against your limited liability corporation. Oh, you do have good credit? Well you can go into your bank and simply ask for a line of credit based on your signature. Yes you can. But, remember it's important that it's an open ended, variable rate, interest only with check writing capabilities.

I've got it. How about your American Express or a credit card with a \$10,000 limit or more. Are you wondering how that would work? Well let's take a look at that for a moment. I know you are probably wondering, wouldn't I have to pay a lot of interest on that? Again let's look at this for a moment. How am I ever going to pay this money back? Right? Trust me. Okay, here we go.

Let's go back to the fact that you have \$1000 left over at the end of every month. That means after everything, and I mean everything. I know here we go again, you think you don't have it left over. How bad would you like to not ever have a mortgage payment again in your life? Again, I know you can find it if you try hard enough. That's \$33 a day. But, let's just run with a thousand for this example.

Okay you have put \$5,000 down on your mortgage as principal reduction (probably between January or June) only it's in a separate envelope with a note attached saying so. Now how do you pay it back? Ready? it's so simple you might miss it! You take all of your income, that's right, and pay off the home equity line of credit (HELOC). Who knows, you might already have a HELOC. Great, again how do you pay this back? If you have \$1000 left over every month, how many months will it take you to pay back \$5,000? Take the \$5,000 (the money you used as principal reduction only) and divide it by \$1000 (left over money at the end of each month) that would equal 5 months! Get it, the best part is that your income will always be taken by the bank as the monthly payment on the line of credit. Ta da! I know you still don't get. Okay let's try it a different way.

Let's imagine that you get a line of credit with a \$10,000 limit and your income is \$3300 a month. In this example, you use \$5,000 of your credit line towards your mortgage. This leaves \$5000 in reserve in your credit line. The reserve is a way to pay off unexpected emergencies. It is important that you never use this reserve for unnecessary purchases, agreed? The object is to get your mortgage paid off early. Remember, this isn't just about getting your mortgage debt paid off but, all your debt paid off!

You know, maybe you don't know what a HELOC is? A HELOC is a loan back to you based on the equity in your house. It's like a credit card with a credit limit matching the amount you ask for, up to the equity you have in your home. This is your ticket out of the rat race! It is a very, very good thing. We're going to show you how to use it to pay off your home, become debt free, invest till your heart is content and 'Turn Your Dreams into a Reality!

Why a HELOC? Because if you tried this method with just your monthly left over money, then your monthly left over money would be tied up in your house with no way of you having access to it in case of an emergency.

What if the interest rate on the HELOC is higher than on the first? That's okay. The HELOC can go up to 2.5 times higher than the rate on your first. So what's the difference between the rate on the first as compared to the rate on the HELOC? When you take out a first, due to the amortization process your payment schedule is set from day one. There is nothing you can do to change the rate or the payment. The only thing you can change is the pay off period. Remember, every day your bank recalculates your interest. They only charge you interest at the end of the month. As you drive your principal balance down with lump sums, the new loan balance is recalculated and you will pay less interest.

Some people wonder about their first mortgage and how it would effect an early pay off. Let's consider which is better, a fixed rate loan or a hybrid like a 3/1 or 5/1 ARM, etc., or even an option ARM with negative amortization with typically 3 to 4 payment options. If this program is fueled by positive cash flow, then the obvious choice would be the hybrid or the option ARM. Why would most people choose a fixed rate loan? Because they don't want any surprises. But, if you took out a hybrid or option ARM loan and knew in five years your principal was reduced by 50 to 75%, would you care if the rate was adjustable? Probably not. Yes the rate is subject to rate fluctuations each year, or monthly whichever. But, as you drive your principal down with your lump sum payments, it will counteract any possible "negative amortization" that accrues, and your minimum payment will also come down. These types of loans are the only loans that you can actually have your monthly payment drop.

Again don't worry even if your existing home equity line of credit (HELOC) is maxed out. You can use "the principle reduction program" first to attack your HELOC and bring down the HELOC balance first. Then start applying your lump sum principal reductions later.

Remember when choosing the credit card that will pay your monthly expenses, we want the rate to be as low as possible and it should have a high enough limit to pay all of your monthly expenses. Make sure the credit card company that you use has a long grace period and charges no interest providing it is paid within it's monthly cycle. That's so we can have access to free money every month! Always collect money owed to you as soon as possible and always pay out money you owe as late as possible.



So let's get this, you pay all your monthly bills as late as possible without them being late with your selected credit card. Then, at the last minute you pay off your credit card completely within a month, therefore being charged absolutely no interest with your HELOC, remembering that the interest on the HELOC is usually only a few cents a day, compared to the \$30 to \$100 a day you are charged for your mortgage. But, remember you are also about to transfer your next paycheck to the HELOC, thus dramatically reducing that interest immediately! Consequently, the more money you put into your HELOC, the less interest you will pay. Whenever you owe nothing on your HELOC, neither interest nor principal, is the time to take a huge chunk of change out of it, apply it to the principal only on your home mortgage, then start the whole process over again.

The power of the "principal reduction program" comes from the ability to place large "lump" payments against the principal balance of your mortgage. This in turn reduces the principal, which in turn reduces the calculated interest in your loan. When you can reduce the calculated interest in this manner, equity is easily built into your home mortgage.

So here we go again. Remember repetition is the mother of learning. Using a simple example, we'll start in the month of January with a \$10,000 line of credit and assume you keep \$5,000 in reserve. In this example, you have \$3,300 in take home pay per month and expenses of \$2,300 per month, including your regular mortgage payment.

- 1) Your \$10,000 credit line is established
- 2) Send \$5,000 from your credit line to pay against your mortgage.
This is the "lump" payment that gives you the power to build equity.
This "lump" payment reduces the calculated interest on your principal balance.
- 3) Keep \$5,000 in your credit line for emergencies.
- 4) Pay all of your monthly expenses with your credit card, and that's all payments, mortgage too.
- 5) Use your monthly income to pay \$3,300 into your credit line.
- 6) This would leave a \$1,700 balance owed on your credit line.

This concept works because you are making large “lump” payments at once. This effectively eats away at your mortgage principal faster than any other technique out there. And when you eat away at your mortgage principal at a rapid pace, you are also building equity at a rapid pace. This is where the principle of the “principal reduction” begins to build.

So in January you have:

- 1) Established a \$10,000 line of credit
- 2) Sent \$5,000 from your line to your mortgage
- 3) Paid all of your monthly expenses of \$2,300 with your credit card including your monthly mortgage payment.
- 4) Used your monthly income of \$3,300 to pay into your credit line balance of \$5,000 leaving a net balance of \$1,700.

February:

- 5) In the month of February you will have a \$1,700 credit line balance carried over from January.
- 6) You will also have a \$2,300 credit card balance carried over from January.

To avoid any interest charges on your credit card you must now pay the \$2,300 credit card balance fully by the due date by paying \$2,300 from your line of credit to your credit card.

This leaves a zero balance on your credit card at the end of February, but also leaves a new balance of \$4,000 on your credit line. The \$4,000 balance owed on your credit line comes from the \$2,300 used to pay off your credit and the \$1,700 credit line balance that was carried over from January.

Also in February you will have your new monthly bills and expenses of \$2,300. Remember you have already placed your monthly income of \$3,300 into your credit line and pay your monthly expenses of \$2,300 with your credit card again. After your expenses are fully paid, there will be an extra \$1,000 left over from your income. Send this extra \$1,000 in as the monthly payment towards your \$10,000 credit line. Now you will continue to repeat the month of February for the next 4 months.

By paying your \$1,000 surplus to the line of credit every month, you should have the \$4,000 paid off in 4 months.

So in roughly 5 months, when your credit line is back to zero you will send another \$5,000 to your mortgage to start the whole process over again.

Now let's take a minute and realize what you have just done. In just 5 short months, the powerful process you created has paid \$5,000 against the principal balance on your mortgage.

If this particular mortgage principal were \$200,000 at 6% interest, it would be completely paid off, free and clear, in 10 years using this process.

Congratulations! You now have a home that's appreciated at least 40% based on the last 100 years of statistics and is now free and clear, with no more mortgage payments!

Let's say you can't get a HELOC but, you have \$5,000 in savings just sitting around. Well, what you want to do is open up a money market account and deposit this \$5,000 in the new account. Make sure the account allows you full access to your money. This \$5,000 savings will be used to make your "lump" payments against your mortgage principal. Now instead of paying interest on your HELOC you are getting paid interest on your savings and reducing your mortgage principal. The entire time you still pay your monthly expenses the same way using your credit card and you will have your monthly income deposited into the money market account. This will allow you to build the money market account back up to the original amount after making a lump payment against your mortgage principal.

To simplify things we are going to continue to use our example of having a \$1,000 surplus each month. Multiply \$1,000 by 10 and you get \$10,000. Therefore you should use about \$5,000 from your credit line to pay against your mortgage each time.

Once you have established an equity position of tens of thousands of dollars you might want to consider paying cash from your HELOC to buy your investment properties, which makes the investment free and clear, but, more importantly now gives you a tax shelter because the interest is on your primary residence. Like that ha? By paying cash you have better negotiating power and now you use the cash flow from the tenants monthly payment along with your leftover \$1,000 to pay down the HELOC. Before you know it your primary home is free and clear with an investment property free and clear as well, and now you start receiving monthly residual income whether you work or not.



Let's play with this for a moment. You now have 5 homes free and clear that are appreciating annually at a rate of 4%. Your existing normal income is increasing annually at 3%. Your rents from your tenants are increasing annually at 5%. Where does it end. Your portfolio is now in a limited liability corporation (LLC) which now makes it willable and sellable. It just doesn't get better than that!

Let's look at your five rentals at \$200,000 each times 5 equals \$1,000,000 and your rents at \$1,600 each times 5 equals \$8,000 a month residually whether you work or not. That's \$100,000 a year. Oh yeah that's right, you have no mortgage payment on your primary residence as well. How are we doing?

That's not all! Let's talk about condo conversions where the existing tenants actually buy their apartments and they get a 70% 1st mortgage and you carry the second mortgage for 10 years at 10% interest only with a balloon for the balance at the end of the ten years. The 70% mortgage pays you back your investment and more, the second mortgage gives you more cash flow. I know, you aren't going to sleep tonight. But, I'll explain that in my next textbook.



Oh and one more thing. Let's talk about the float principle. I know, here we go again. It'll only take a minute. Okay wait a minute. What if you could get an interest free loan you don't have to pay back until you are ready?

- 1) \$10,000 line of credit from your bank
- 2) \$10,000 credit limit American Express credit card
- 3) \$5,000 credit limit MasterCard
- 4) \$5,000 credit limit Visa

January: Move \$10,000 from your line of credit to your personal checking account.

February: Use your American Express to pay off the bank credit line of \$10,000

March: Use your MasterCard and Visa card to pay American Express balance in full

April: Now you will pay MasterCard and Visa off using your American Express

You have just been given a \$10,000 loan with 0% interest that doesn't have any pay back date. Allowing you to take as much time as needed to repay the loan. Please use this technique wisely.

Let's look at your credit card debt and let's say you have 5 credit cards for this example;

- 1) one card has a payment of \$50.00
- 2) second card has a payment of \$100.00
- 3) third card has a payment of \$150.00
- 4) fourth card has a payment of \$200.00
- 5) and last, but not least your fifth card has a payment of \$250.00

Now don't laugh. A lot of people out there have easily this many credit cards and more with payments a lot like this. The question is what would be the best way to attack this in a way to get them all paid in a short period of time? One option would be to consolidate all the debt into your HELOC (if you had the available room on the HELOC) and now you get to right off this debt against your taxes because it's now considered mortgage interest on your primary interest. Plus now that you have consolidated your credit cards onto one bill you probably end up with more left over money which can be applied to your "principal reduction" thus paying off your home sooner! Nice, huh.

Well let's say you don't have room on your HELOC. Now what? Here we go. You must focus all your attention on paying off the 1st card with the \$50.00 payment. And when it's paid in full you must now add the \$50.00 payment that you don't have to make anymore on that card and combine it with the card that has a payment of \$100.00 for a grand total of \$150.00 now going towards that card till it's paid in full. Next, you take that \$150.00 plus the \$150.00 on your third card for a grand total of \$300.00 and apply that monthly until your third card is paid in full. You guessed it, now you are going to take the \$300.00 and add that to the fourth card's payment of \$200.00 for a grand total of \$500.00 going toward that balance until that's paid in full. And last, but not least we are going to take the \$250.00 on your fifth card and add the \$500.00 from the other cards that are already paid in full for a grand total of \$750.00 going towards your last credit card till it's paid in full. Ta da!

Now if you think that was something, you haven't seen anything yet. I'd like you to apply that exact same principle now that you practiced on your credit cards and now you don't owe a dime on them. And do exactly the same on your rental properties! Starting with the smallest one first. I know you can't stand it. I know what you are thinking. You don't have any rental properties. Well, get some.

I hope the journey we went on together gave you some insights and more importantly the practical examples that if applied, not just read about but, again it's about applied knowledge that has the power. But, now that you have money as an issue out of the way it's my sincere hope that you can get on to the things you are most passionate about. In my life it's never been about the money as much as it has been about the priorities, such as; SPIRITUALITY, FAMILY, HEALTH and FINANCE and in that order. The best gift we can give is a good memory and when we are looking back at life wouldn't it be nice to know that we gave it all we had and never once settled for mediocrity.

It's truly been a pleasure to serve you.

Sincerely,

Kevin Gantos



Empowering people to win

Quick App

Lead Generator _____ Phone _____ Date _____

Amount Requested _____ Loan Purpose _____

Home Phone _____ Cell Phone _____

Applicant _____

Co-Applicant _____

Present Address _____ City _____ State _____ Zip _____

Time at Residence ____ Years ____ Months (Need 24 month history) Own / Rent Desired Payment \$ _____

Previous Address _____ City _____ State _____ Zip _____

Time at Previous Address ____ Years ____ Months Own / Rent

How long do you plan to stay in current residence? _____

Purchased Home? ____ Yes ____ No Purchase Price: \$ _____ Value: \$ _____

1st Mortgage Holder _____ Balance \$ _____ Rate ____ % Payment: \$ _____

2nd Mortgage Holder _____ Balance \$ _____ Rate ____ % Payment: \$ _____

Taxes/Insurance included? ____ Yes ____ No Pre-payment penalty? 1st _____ 2nd _____

Employer _____ # Years _____ Position _____

Gross Monthly Income \$ _____ Gross Annual Income Last Year \$ _____ ☐ W2 ☐ 1099 ☐ Self Employed

Co-Applicant Employer _____ # Years _____ Position _____

Gross Monthly Income \$ _____ Gross Annual Income Last Year \$ _____ ☐ W2 ☐ 1099 ☐ Self Employed

Assets (Savings, Checking, 401k, Stocks) \$ _____

Do we have permission to run your Credit Profile? ____ Yes ____ No

Applicant Signature _____

Date of Birth _____ Soc. Sec. # _____

Co-Applicant Signature _____

Date of Birth _____ Soc. Sec. # _____

Office Use Only

LTV _____ DTI _____ FICO _____ - _____ - _____ Reserves _____