



Universal Trust Financial Services

Presents:




A TALE OF 3 BROTHERS



or...The Smart Way To Build Wealth



A TALE OF 3 BROTHERS



This is a story of three brothers, each earning \$75,000.00 per year.

Each brother has \$60,000.00 in Savings and is buying a \$300,000.00 house.

Brother "A":

Believes in Paying Off the Mortgage as soon as he can

- 15-Year Mortgage at 5%
- \$ 60,000.00 as a Down Payment
- \$ 0.00 Savings left over to Invest
- \$ 1,898 Monthly Payment (52% Tax Deduction in the first year)
- \$ 1,624.00 Average Monthly after tax payment.
- Wants to eliminate his mortgage as he is afraid of losing his house.

Brother "B":

Carries a longer Mortgage than Brother "A" but also adds \$ 100.00 per month to his payment

- 30-Year Mortgage at 6.0%
- \$ 60,000.00 as a Down Payment
- \$ 0.00 Savings remaining to Invest
- \$ 1,439 Monthly Payment (52% Tax Deduction in the first year)
- \$ 1,105.00 Average Monthly after tax payment. ⁽²⁾
- Sends in \$ 100.00 extra per month to eliminate Mortgage earlier. Invests the other \$359.00 per month and the account ⁽⁴⁾ earns 10% rate of return.

Brother "C":

Believes that using his house as a Financial Tool is the key to obtaining Wealth. He seeks out the loan with the lowest payment.

- Low Payment Loan at 1.95% ⁽¹⁾
- \$ 30,000.00 as a Down Payment
- \$ 30,000.00 remaining to Invest ⁽³⁾
- \$ 991.00 Monthly Payment (100% Tax Deduction in the first year) ⁽²⁾
- \$ 227.00 Average Monthly after tax payment for the first year.
- Adds \$ 100.00 to his monthly Investments, plus an average of \$ 874 per month over for 5 years.
- Account earns 10% rate of return.

Who made the right decision?

Results after just 5 years:

Brother "A"	Brother "B"	Brother "C"
Received \$14,787 In tax savings	Received \$19,506 In tax savings	Received \$19,337 In tax savings
Has \$0.00 in savings and investments	Has \$28,000 in savings and investments (3)	Has over \$115,000 in savings and investments

What if all 3 brothers suddenly lose their jobs?

Brother "A"	Brother "B"	Brother "C"
Has no savings to get through the crisis	Has \$28,000 in savings to support him (3)	Has \$115,000 In savings to tide him over
Can't get a loan even though he has \$121,000 In equity because of no job	Can make his mortgage payments for 1.5 years	Doesn't need a loan – can make his mortgage payment for more than 8 years
Must sell his home or face foreclosure as he cannot make His payments	Doesn't panic right away	Has no reason to panic, has plenty of cash on hand

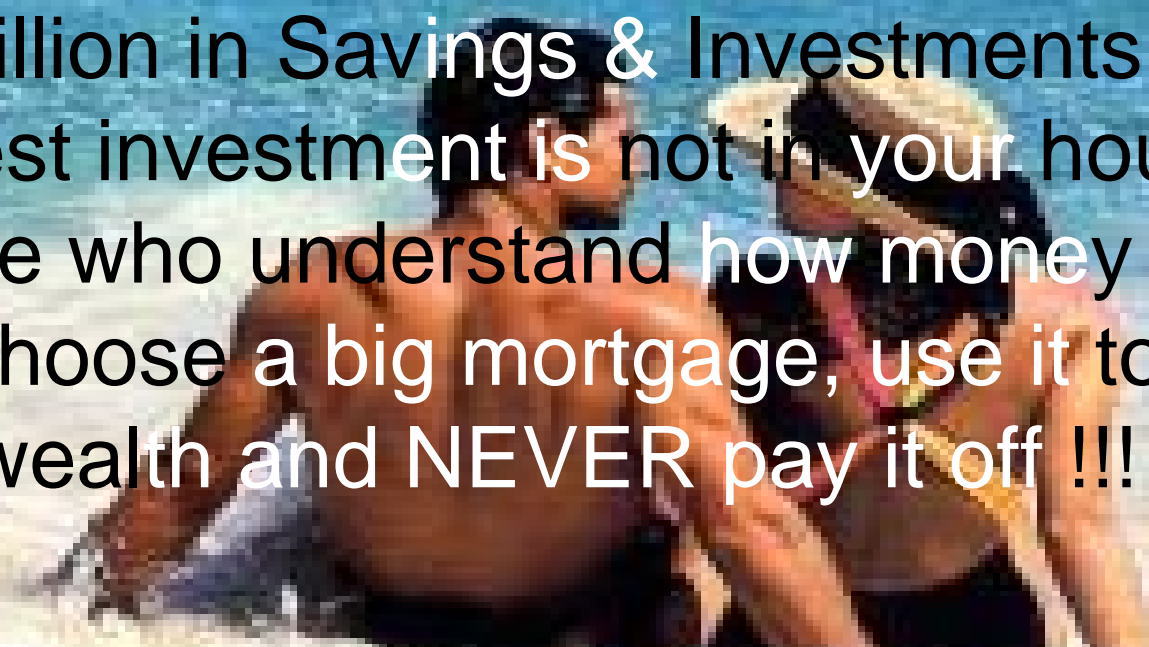
Results after 30 years

Brother "A"	Brother "B"	Brother "C"
Owens his home outright	Owens his home outright	Has 25 more years remaining (6)
Has \$ 787,000 In savings & investments (7,3)	Has \$ 812,000 in savings & investments (3)	Has \$ 2,510,000 in savings & investments... retires at will
Can't even begin to think about retirement. His nest egg is \$ 1 mil. short	Did O.K. but is still more than \$ 1 million short of his goal	Sends a check To the bank To pay off his house ...If he wants

Remember.....

Cash is King!

And Brother "C" now has more than \$ 2.5 million in Savings & Investments. Your best investment is not in your house – People who understand how money works choose a big mortgage, use it to create wealth and NEVER pay it off !!!

A man and a woman are sitting on a sandy beach, looking out at the ocean. The man is shirtless and wearing dark shorts, and the woman is wearing a dark swimsuit and a wide-brimmed hat. They are both looking towards the right side of the frame, where the ocean waves are breaking. The background is a clear blue sky and a calm sea.