

Peter Kinch's Mortgage Update

July 2009 Alberta REIN™ Presentation

Peter Kinch
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Our goal is to help you achieve yours.

Peter Kinch presents

Mortgage Market Update

PK

Bank of Montreal

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Equipment Leasing Solutions

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More Funding Options

- Self-Employed Obstacles
 - Too Many Trades on Credit Bureau
 - Maxed-Out Debt Servicing
 - Limited Sources of Down Payment
 - Company Debt vs Personal Debt
- Equipment Leasing Provides You with More Funding Options for Your Investment Needs

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Cross-Border Transactions

- Cross-Border Leases
 - Canada to Canada
 - Canada to USA
 - USA to Canada
 - USA to USA



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What You Can Lease

- Almost Any Kind of Equipment or Vehicles
 - Machine Tools & Construction Equipment
 - Copiers, Computers, Software & Office Furniture
 - Construction & Manufacturing Equipment
 - Medical/Dental Equipment
 - And Much More
- Leases Available from Single Items to Entire Offices or Plants



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Sale Lease Backs

- How it Works
 - You Sell your equipment to the leasing company
 - Giving you a cash infusion
 - Simply Lease your equipment back from the leasing company.
- This Financing Technique Gives You
 - Access to cash
 - No restrictions on how the money is used
 - Takes idle equity out of equipment for investing or working capital
 - Improves your balance sheet

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Leasing Solutions & Benefits

- Sale Lease Back
 - Removes Items from Personal Credit Bureau
 - Eliminates TDSR Problems
 - Down-Payment on Future Properties
- Fully Tax Deductible Expenses
- 100% Equity Available

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Leasing Examples

- **Self-Employed Challenge:**
 - Sales Were Soft
 - Wanted to Purchase New Home
 - Equipment Rich, But No Cash
- **Solution:**
 - Down-Payment Solution:
 - Sale Lease Back of Equipment
 - Equity Take-Out of Current Home
 - Purchased new home while waiting for the market to strengthen before selling his old home.

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Leasing Examples

- **Investor Challenge:**
 - Bringing JV in to purchase more revenue properties
 - Looking for Other Solutions to Purchase on Own
- **Solution:**
 - Sale Lease Back to take Equity Out of Heavy Duty Equipment
 - Purchased Property on Own

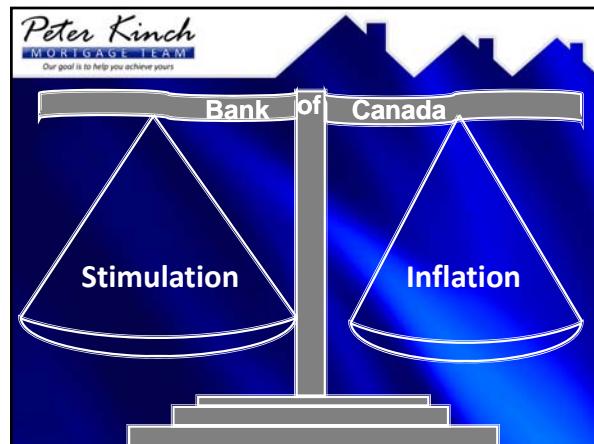
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Leasing Examples

- **Debt Challenge:**
 - Large Business Related Debt on Personal Bureau
 - Had Principal Residence & One Revenue Property
 - Many Credit Pulls From Business Related Expenses
- **Solution:**
 - Sale Lease Backs on Vehicles Leases
 - Leases Held Corporately, off Personal Bureau

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Interest Rates



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Rates

Will rates go up? Not if but when....

- BOC – Emergency rates
- Prime to remain unchanged
 - June 2010, Caution!
- BOC – Prime Rate
- Bond Market – Long-Term Rates
 - Not the same, be careful with Assumptions



Predicting Rates?



- Today – Stimulation
- Tomorrow – Obama Factor???
- Assume Rates go up at least 3%

What Do You Believe?

- Obama Factor = Hyper-Inflation
 - Rates will go up
- \$USD – Deflated = \$CND – Inflated
 - Rates will go down

What Do You Believe?

- Rates will Skyrocket!
- Today's 10 Year Rate = 5.25%



What Do You Believe?

- Short and Long-term Rates – UP 3%
- Prime 2009 – 2010
2.25%
- Prime 2010 – 2015
up to 6%

Currently Prime - 0.9%

- Mortgage Renewal 2011
- Today – 2011 1.35%
- Renew at Prime in 2011 for 5 years Prime goes to 6%

Return of the Discount on VRMs???

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Convert Today

- New Long-Term Mortgage
- 5 Year @ 4.30%
- 7 or 10 Year @ 5.25%
- Protect Against 8% Prime...



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Conclusion:

Convert Now
Or
Keep Floating

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STILL NOT SURE?

- Float or Lock-in?
- Why Not Both?
- 50/50 Mortgage Option



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Your REIN Solution:

- 50% - 5 year term
- 50% Variable/Floating
- No Premium on Rentals
- Fully discounted with 35 year Am

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Exclusive New Tool

- Launching Exclusive New Tool
- Allows us to analyze your options
- Precisely know whether to take a variable or lock-in

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Exclusive New Tool

5-Year Term Fixed Rate				4.300%			
Mortgage Amount				\$200,000			
Amortization				360.00 months			
Monthly Payments				\$985.28			
Current Bank Prime Rate				2.35%			
Assume: Prime Increases Over 5 Years To				5.50%			
By 0.25% Every				4.54 months			

Month	Rate	Payment	Interest	Principal	Balance	Prime	Rate	Payment	Interest	Principal	Balance
54	4.30%	\$1013.49	\$311.79	\$1013.69	\$186,663.04	5.00%	5.300%	\$1013.28	\$613.82	\$111.34	\$181,356.93
55	4.30%	\$1013.28	\$613.82	\$1013.27	\$186,332.07	5.00%	5.300%	\$1013.28	\$613.22	\$114.06	\$181,202.87
56	4.30%	\$1013.28	\$613.22	\$1013.27	\$186,332.07	5.00%	5.300%	\$1013.28	\$613.22	\$114.06	\$181,202.87
57	4.30%	\$1013.28	\$613.44	\$1013.34	\$186,328.73	5.25%	5.375%	\$1013.28	\$613.70	\$117.39	\$181,680.48
58	4.30%	\$1013.28	\$648.75	\$1013.53	\$186,328.05	5.25%	5.375%	\$1013.28	\$602.34	\$118.14	\$181,850.13
59	4.30%	\$1013.28	\$647.96	\$1017.72	\$186,308.33	5.25%	5.375%	\$1013.28	\$606.37	\$118.71	\$181,791.42
60	4.30%	\$1013.28	\$646.38	\$1018.92	\$186,349.41	5.50%	5.600%	\$1013.28	\$604.81	\$121.63	\$180,645.79

Saved Compared to the 5-Year Rate: \$999.61
Effective Semi-Annual 1-Year Rate: 2.95%
Effective Semi-Annual 3-Year Rate: 3.59%
Effective Semi-Annual 5-Year Rate: 4.20%

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