

Bob Howe

"Know Howe For Your Next Loan"

18831 Von Karman Avenue, Suite 380 Irvine, CA 92612

Tel:(949) 852-0400 Fax:(949) 440-6849

Tax Bracket
32%

Prepared by
Bob Howe

Date prepared
10/17/2007

The purpose of this analysis is to help you reposition your debt to increase your net worth.

FOLLOW THESE 3 SIMPLE STEPS:

1. CURRENT LIABILITIES displays the current liabilities information that we have on file for you.
2. RECOMMENDED DEBT STRUCTURE shows how you can reposition your debt to increase your net worth.
3. EQUITY REPOSITIONING shows you how you can take our recommended monthly savings and invest it for your future to increase your net worth!

Equity Repositioning Analysis

Valued Client
32 Miramar Lane
Irvine, CA 92620

CURRENT LIABILITIES

Your current debt structure

Type	Creditor	Rate	Balance	Payment	Tax Ded.	Debt Free in
Mortgage	Downey Savings	6.375%	\$448,151	\$2,963	\$762	25.50 yrs.
Mortgage	2nd Mortgage	7.750%	\$100,000	\$646	\$207	Never
Auto	American First Cre	8.100%	\$24,150	\$179	\$0	30.00 yrs.
Credit Card	Bank of America	16.000%	\$14,158	\$425	\$0	3.75 yrs.
Totals (Paid-Off items):			\$586,459	\$4,213	\$969	

RECOMMENDED DEBT STRUCTURE*

Our proposed debt structure and benefits

Program	Terms	Rate	Balance	Payment	Tax Ded.
1st 30 Year Fixed	360	6.500%	\$417,000	\$2,636	\$723
2nd Equity Line	Int. Only	7.250%	\$193,000	\$1,166	\$373
Totals:			\$610,000	\$3,802	\$1,096

Loan Costs

\$3,460		
\$20,081	\$411	\$127
Cash Out	Savings	Savings

ASSET ACCUMULATION

Savings based on our current recommendations

Asset Criteria	Accumulation	
	Years	Amount
Opening Balance	\$20,000	
Rate	8.000%	
Payment	\$411	
	7	\$81,027
	15	\$208,360
	30	\$831,252

PROJECTED REAL ESTATE VALUE

Value based on our current projections

Criteria	Projected Value	
	Years	Value
Current Value	\$975,000	
Projected Rate	4.000%	
	7	\$1,283,033
	15	\$1,755,920
	30	\$3,162,313

TOTAL REAL ESTATE & INVESTMENT VALUE

Before and after!

Years	Before	After
7	\$1,283,033	\$1,364,060
15	\$1,755,920	\$1,964,280
30	\$3,162,313	\$3,993,565

TAX BENEFITS

Savings based on our current recommendations

	Monthly	Qrtly.	Yearly
Before	\$969	\$2,906	\$11,622
After	\$1,096	\$3,288	\$13,151
Savings	\$127	\$382	\$1,529

NOTES

A wise change in your debt structure can make a life changing difference in your financial future. Note the "Total Real Estate and Investment Value" after just a few years by taking my advice and repositioning your equity into a better loan!

When you are ready to buy or refinance your home(s) be sure to call me. Ask me about a "total cost analysis" and my complimentary Rate Watch Report.

My direct line is (949)852-0400 ext. 219 or E-Mail me at bhowe@OrangeCountyLender.com

Check out my web www.OrangeCountyLender.com and register for your complimentary Rate Watch Report I will mail to you every 60 days!

NOTICE AND DISCLAIMER: The results above are based on (i) information provided by you, (ii) estimates of interest rates, your ability to save, your tax bracket, closing costs and other amounts, (iii) currently available loan programs and (iv) information and assumptions discussed with your advisor; all of which might change over time. If the information or assumptions are not correct or change, then the results above will change. Your advisor will provide additional information about costs, fees and other information required by state and federal law.

False

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AMORTIZATION

The Detail table below discloses the financial information used to calculate the tables above.

For further information, speak with your professional mortgage advisor.*

Program	Terms	Rate	Balance	Payment	Tax Ded.
1st 30 Year Fixed	360	6.500%	\$417,000	\$2,636	\$723
2nd Equity Line	Int. Only	7.250%	\$193,000	\$1,166	\$373
Totals:			\$610,000	\$3,802	\$1,096

Period (Year)	Mortgage Balance	8.000%				10.000%				12.000%			
		Starting Principal	Yearly Additions	Total Return	Ending Principal	Starting Principal	Yearly Additions	Total Return	Ending Principal	Starting Principal	Yearly Additions	Total Return	Ending Principal
1	\$605,339	\$20,000	\$4,932	\$1,845	\$26,777	\$20,000	\$4,932	\$2,327	\$27,259	\$20,000	\$4,932	\$2,817	\$27,749
2	\$600,366	\$26,777	\$4,932	\$2,407	\$34,116	\$27,259	\$4,932	\$3,087	\$35,278	\$27,749	\$4,932	\$3,800	\$36,481
3	\$595,060	\$34,116	\$4,932	\$3,017	\$42,065	\$35,278	\$4,932	\$3,926	\$44,136	\$36,481	\$4,932	\$4,907	\$46,320
4	\$589,398	\$42,065	\$4,932	\$3,676	\$50,673	\$44,136	\$4,932	\$4,854	\$53,922	\$46,320	\$4,932	\$6,155	\$57,407
5	\$583,358	\$50,673	\$4,932	\$4,391	\$59,996	\$53,922	\$4,932	\$5,879	\$64,733	\$57,407	\$4,932	\$7,561	\$69,900
6	\$576,913	\$59,996	\$4,932	\$5,165	\$70,092	\$64,733	\$4,932	\$7,011	\$76,676	\$69,900	\$4,932	\$9,146	\$83,978
7	\$570,036	\$70,092	\$4,932	\$6,003	\$81,027	\$76,676	\$4,932	\$8,261	\$89,869	\$83,978	\$4,932	\$10,931	\$99,841
8	\$562,698	\$81,027	\$4,932	\$6,910	\$92,869	\$89,869	\$4,932	\$9,643	\$104,444	\$99,841	\$4,932	\$12,943	\$117,716
9	\$554,870	\$92,869	\$4,932	\$7,893	\$105,694	\$104,444	\$4,932	\$11,169	\$120,545	\$117,716	\$4,932	\$15,210	\$137,857
10	\$546,516	\$105,694	\$4,932	\$8,957	\$119,584	\$120,545	\$4,932	\$12,855	\$138,332	\$137,857	\$4,932	\$17,764	\$160,554
11	\$537,604	\$119,584	\$4,932	\$10,110	\$134,626	\$138,332	\$4,932	\$14,718	\$157,982	\$160,554	\$4,932	\$20,643	\$186,128
12	\$528,095	\$134,626	\$4,932	\$11,359	\$150,917	\$157,982	\$4,932	\$16,775	\$179,689	\$186,128	\$4,932	\$23,886	\$214,947
13	\$517,948	\$150,917	\$4,932	\$12,711	\$168,560	\$179,689	\$4,932	\$19,048	\$203,669	\$214,947	\$4,932	\$27,541	\$247,420
14	\$507,122	\$168,560	\$4,932	\$14,175	\$187,667	\$203,669	\$4,932	\$21,559	\$230,160	\$247,420	\$4,932	\$31,660	\$284,011
15	\$495,572	\$187,667	\$4,932	\$15,761	\$208,360	\$230,160	\$4,932	\$24,333	\$259,426	\$284,011	\$4,932	\$36,300	\$325,244
16	\$483,247	\$208,360	\$4,932	\$17,479	\$230,771	\$259,426	\$4,932	\$27,398	\$291,755	\$325,244	\$4,932	\$41,530	\$371,705
17	\$470,097	\$230,771	\$4,932	\$19,339	\$255,042	\$291,755	\$4,932	\$30,783	\$327,470	\$371,705	\$4,932	\$47,422	\$424,059
18	\$456,067	\$255,042	\$4,932	\$21,353	\$281,327	\$327,470	\$4,932	\$34,523	\$366,925	\$424,059	\$4,932	\$54,062	\$483,053
19	\$441,097	\$281,327	\$4,932	\$23,535	\$309,794	\$366,925	\$4,932	\$38,654	\$410,512	\$483,053	\$4,932	\$61,544	\$549,529
20	\$425,124	\$309,794	\$4,932	\$25,898	\$340,623	\$410,512	\$4,932	\$43,218	\$458,662*	\$549,529	\$4,932	\$69,974	\$624,435
21	\$408,082	\$340,623	\$4,932	\$28,456	\$374,012	\$458,662	\$4,932	\$48,260	\$511,854	\$624,435	\$4,932	\$79,475	\$708,842
22	\$389,898	\$374,012	\$4,932	\$31,228	\$410,172*	\$511,854	\$4,932	\$53,830	\$570,617	\$708,842	\$4,932	\$90,179	\$803,953
23	\$370,497	\$410,172	\$4,932	\$34,229	\$449,333	\$570,617	\$4,932	\$59,983	\$635,532	\$803,953	\$4,932	\$102,242	\$911,127
24	\$349,796	\$449,333	\$4,932	\$37,479	\$491,744	\$635,532	\$4,932	\$66,781	\$707,245	\$911,127	\$4,932	\$115,834	\$1,031,893
25	\$327,708	\$491,744	\$4,932	\$40,999	\$537,675	\$707,245	\$4,932	\$74,290	\$786,467	\$1,031,893	\$4,932	\$131,150	\$1,167,975
26	\$304,142	\$537,675	\$4,932	\$44,812	\$587,419	\$786,467	\$4,932	\$82,586	\$873,985	\$1,167,975	\$4,932	\$148,409	\$1,321,316
27	\$278,997	\$587,419	\$4,932	\$48,940	\$641,291	\$873,985	\$4,932	\$91,750	\$970,667	\$1,321,316	\$4,932	\$167,856	\$1,494,105
28	\$252,168	\$641,291	\$4,932	\$53,412	\$699,635	\$970,667	\$4,932	\$101,874	\$1,077,473	\$1,494,105	\$4,932	\$189,770	\$1,688,807
29	\$223,543	\$699,635	\$4,932	\$58,254	\$762,822	\$1,077,473	\$4,932	\$113,058	\$1,195,463	\$1,688,807	\$4,932	\$214,464	\$1,908,203
30	\$0	\$762,822	\$4,932	\$63,499	\$831,252	\$1,195,463	\$4,932	\$125,413	\$1,325,809	\$1,908,203	\$4,932	\$242,288	\$2,155,423

* Debt Free Status! Indicates point where accumulated assets exceed debt !

Investment Criteria	
Starting Principal	\$20,000
Rate of Return	8.000%
Number of Months	360
Monthly Investment	\$411

Benefits	
By year 22, asset accumulation will exceed debt. By year 30, yearly income will exceed \$63,499 with an asset account of \$831,252.	

Investment Criteria	
Starting Principal	\$20,000
Rate of Return	10.000%
Number of Months	360
Monthly Investment	\$411

Benefits	
By year 20, asset accumulation will exceed debt. By year 30, yearly income will exceed \$125,413 with an asset account of \$1,325,809.	

Investment Criteria	
Starting Principal	\$20,000
Rate of Return	12.000%
Number of Months	360
Monthly Investment	\$411

Benefits	
By year 18, asset accumulation will exceed debt. By year 30, yearly income will exceed \$242,288 with an asset account of \$2,155,423.	

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False

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