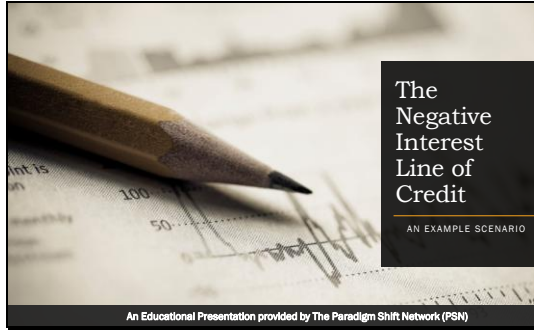



Slide 1



Slide 2

Line of Credit?

- You have a set spending amount (aka Available Credit).
- Your monthly payment is based on the current balance.
- You can make purchases up to the spending limit amount.
- Usage features are identical to a credit card.
- Purchases can be made via check, debit card, etc.



Slide 3

Types of Lines of Credit?

- **INTEREST BEARING** - You pay an annual percentage rate on the amount you used (this costs you additional money).
- **ZERO INTEREST** - You do NOT pay any percentages, you only pay back the amount you used w no additional fees.
- **NEGATIVE INTEREST** - You do NOT pay any percentages, you pay back the amount used minus small monthly percentage that is earned and applied direct to the balance thereby allowing you to pay back less "out-of-pocket". **NOTICE: Reserved for the wealthy clients**

Slide 4

Scenario

- You decide that you want to buy a coat that costs \$100.00.
- You have a **Negative Interest Line of Credit (LOC)** with your bank for over \$100.00. (also considered OPM - Other People's Money)
- You have \$100.00 but you want to use your Negative Interest LOC in order to spend less than \$100.00 (out-of-pocket) in the long run for your coat.
- Your monthly payments for your coat will be \$10.00.
- You have a shoe box that you put (10) ten \$10.00 bills in it to use for your monthly payments.
- Your L.O.C. earns 1% A.P.Y. and is applied against the balance. (This % will vary)

Slide 5



How Does It Work?



Monthly Payments and
Balance Using Negative
Interest L.O.C.

Slide 6



MONTH 1



\$100 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$89 Balance

Slide 7



MONTH 2

\$ 89 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$78 Balance


Slide 8



MONTH 3

\$ 78 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$67 Balance

Slide 9



MONTH 4

\$ 67 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$56 Balance

Slide 10



MONTH 5

\$ 56 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$45 Balance



Slide 11




MONTH 6

\$ 45 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$34 Balance




Slide 12



MONTH 7

\$ 34 Balance on L.O.C.
- \$10 Shoebox Payment
- \$ 1 Interest Earned
\$23 Balance



Slide 13



MONTH 8

\$ 23 Balance on L.O.C.
 - \$10 Shoebox Payment
- \$ 1 Interest Earned
 \$12 Balance

Slide 14



MONTH 9

\$ 12 Balance on L.O.C.
 - \$10 Shoebox Payment
- \$ 1 Interest Earned
 \$ 1 Balance

Slide 15



MONTH 10

\$ 1 Balance on L.O.C.
 - \$ 0 Shoebox Payment
- \$ 1 Interest Earned
 \$ 0 Balance

Slide 16




Payment Scheduled	Beginning Balance Owed	Payment Made to Bank	Interest Paid by Bank	Ending Balance Owed
1 st Month	\$100	\$10	\$1	\$89
2 nd Month	\$89	\$10	\$1	\$78
3 rd Month	\$78	\$10	\$1	\$67
4 th Month	\$67	\$10	\$1	\$56
5 th Month	\$56	\$10	\$1	\$45
6 th Month	\$45	\$10	\$1	\$34
7 th Month	\$34	\$10	\$1	\$23
8 th Month	\$23	\$10	\$1	\$12
9 th Month	\$12	\$10	\$1	\$1
10 th Month	\$1	\$0	\$1	\$0
Total You Paid		\$90		


Slide 17

Ray's Tips on Negative Interest LOC

1. You are spending money that you already planned to spend. This is a loan from the bank, OPM - Other People's Money.
2. The bank will determine your monthly payment.
3. Always pay the minimum payment. The longer you take to pay it back, the more interest the bank pays you. (A debt that earns!)
4. **This results in you paying less out of your pocket (or shoe box ☺)!!**



Slide 18



Thank you for visiting with us today!

Raymond Renfrow
rayren99@aol.com

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