

Path to Mortgage Freedom in 10 Years



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Path to
Mortgage Freedom
in 10 Years

Project 100-10-10

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ISBN 9 781775 297604

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This book is intended to provide you with concepts to rid your mortgage. However, you must realize that although both Eugene and I are self-made millionaires due to real estate investing and have some professional designations, we are not claiming to be experts in economics, legal, taxation, investing, realty or any other financial matters. The examples we provide are just that - examples. They are intended for illustrative purposes only. They are presented to illustrate an idea and the general concepts. Before initiating any of these mortgage cutting ideas, seek the advice of a competent professional to help you. The book is intended as a general guide and should not be viewed as the ultimate source for information. Further research may be needed and further assistance may be needed. Further assistance must be sought from a qualified expert before any action is taken by the reader. The information in this book might be incomplete, inaccurate or out of date. Thus, the reader should verify any of the information before acting on it. The reader must understand the content does not replace any advice from a qualified expert and professional and advice should be sought before acting upon any of the information. Furthermore, this book might contain various errors, omissions, or mistakes either of a typographical nature or within the content itself. The reader must not rely on the accuracy of any information given, and shall seek proper verification. The authors and publishers shall have neither liability nor responsibility to any person or other legal entity with respect to any sort of lost or damages or perceive damage caused or alleged to have been caused, directly or indirectly, by the information presented in this book. By reading this, you solely accept these conditions.

Special Acknowledgements to

Rohan Laylor Photography

Thank you for the wonderful headshots

and

Ara Bhaimiya, Artist

Thank you for designs

Introduction by Huong Luu

Welcome to Project 100-10-10. No, this is not a school project or a “save-the-planet” initiative. This project focuses on **Helping 100 Families Pay off Their Mortgage in 10 Years**, with the bigger goal of helping 1,000,000 families pay off their mortgage in 10 years.

As a Real Estate Investor and Real Estate Coach, I realize that few people with a mortgage have the knowledge and tools to pay their mortgage off **FASTER**, and why it's in their best interest to do so. Other than the regular payments, they would make to their banks for principal and interest, very few families actually think they can pay off their mortgages sooner. This was an astounding fact for me to find out.

I therefore dedicate Project 100-10-10 to everyone who wants to become mortgage-free faster. **It is possible to pay off your mortgage in 10 years**, of course subject to certain conditions. Let's say it will take extra five years (or 15 years), well, isn't that better than 25 years? Wouldn't that be worth the cost of this book?

Although there is information useful for the first time home buyers, this book does not go into details of the purchasing process. We are assuming you have some understanding of the house-buying process, and have discussed mortgages and real estate. Here are a few reasons why we wrote this book:

1. Not everyone is familiar with the various ways of paying off a mortgage. In later chapters, you will find four different ways to pay off your

mortgage faster. These options are available to everyone with a mortgage – and best of all, there's no extra cost involved.

2. The faster you pay off your mortgage, the less interest you'll pay. This is hands down one of the best reasons for you to pay off your mortgage as quickly as possible. As every situation is different, we'll present you with various scenarios enabling you to see how much interest (this is your money) you'd potentially save. You might be surprised to find that you can actually save \$50k - \$200k if you were to pay off your mortgage sooner.

The sooner you pay off your mortgage the more equity you'll be able to access. Tapping into your equity can grow your net worth and help you achieve financial security.

This book also focuses on life's curveballs, as this will affect us becoming mortgage-free faster. We have a "plan" of what we want in our life, but sometimes, life throws us a curveball and it takes us off the path that we have envisioned for ourselves. We go through a few of these curveballs in some detail to show you how your 'plan' to pay off your mortgage faster could get affected. But we also give you some solutions that might work for you to get back on track.

Some commonly asked questions about paying off your mortgage are also dissected in this book. For example, *'If I have some extra money, is it better to contribute to my RRSP or to pay off my mortgage?'* We will also look at *'Is it better to pay off my mortgage or put any extra money I have into my kids education fund'*

(RESP)?’ You might be very surprised at the recommendation that we make. If you’re not then you might be on your way to paying off your mortgage faster than you realize.

So why should you listen to us. What makes Eugene and me an “*expert*”? I use air quotes here, as you should seek third party advice. Over the last 20 years, I have paid off my mortgage at least twice on two of my properties and once on my other two. That said, as soon as I build enough equity I pull it out to make another investment. Therefore, overall, I am not mortgage-free, as I actually never got down to \$0. Except for the fact that I’ve gotten below the \$100k mark and I’ve gotten to the point where I’ve increased and renewed my mortgages three times over.

Throughout the book, we’ve used Ajoe as an example of the average Joe to explain some of the numbers and content. This book contains four sections. The first section outlines some basic mortgage concepts. You might be surprised to learn some new aspects in section 1. Section 2 focuses on how to pay off your mortgage faster. Options are provided in a buffet-style. Meaning not all of it will apply to you, but you can test them out or pick the ones that you want. In Section 2, you’ll learn about the GLAD – a method to pay off your mortgage faster. Section 3 covers the unexpected events – and how these events may affect your mortgage. Here we try to focus only on situations that are within your control. Section 4 talks about Project 100-10-10. Join this program or refer a family member who would like to pay off their mortgage faster.

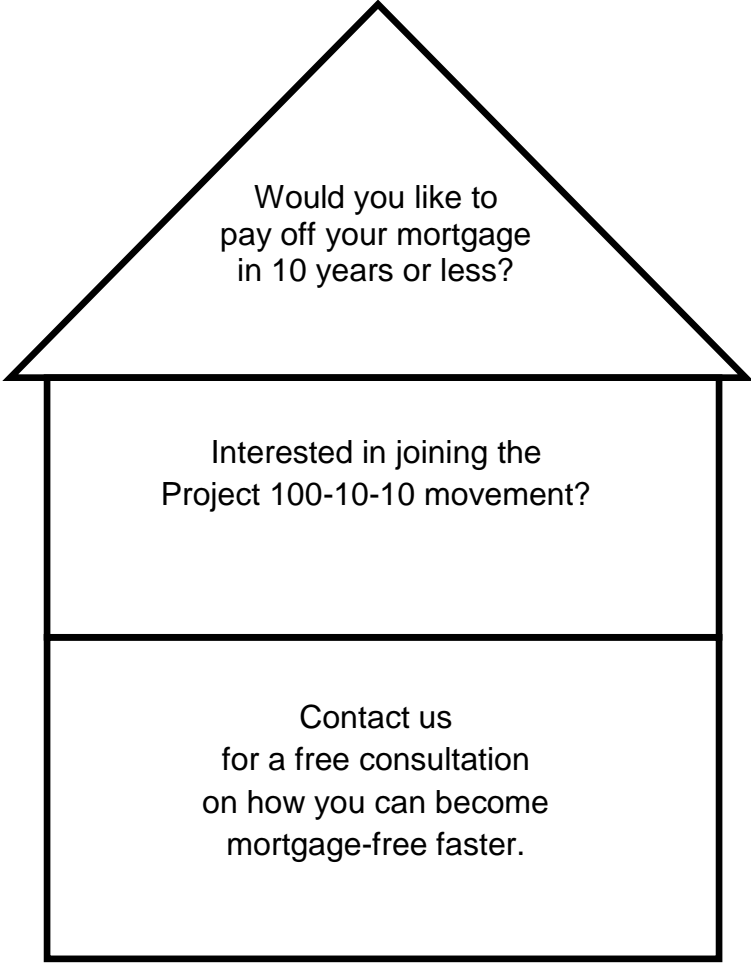
When you do become mortgage-free, take some time to reflect on this huge achievement. Share your

experience with your friends and other families so they too can pay off their mortgage sooner.

All the best of luck to you and your family on becoming mortgage-free.

Huong

*All of the recommendations in this book are for **entertainment** purposes only. Thus, we highly recommend that you speak to your accountant, lawyer, and/or your financial advisor. Now keep in mind, some of the recommendations we make in this book will be very controversial with your financial advisor, accountant and or lawyer. It is therefore up to you to make a decision that best fits your family's needs.*



Would you like to
pay off your mortgage
in 10 years or less?

Interested in joining the
Project 100-10-10 movement?

Contact us
for a free consultation
on how you can become
mortgage-free faster.

Contact us at: Huong Luu, PEng, PMP
 huong@cashproperty.ca



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Pop Quiz

Take this quiz to see how much you know about paying off your mortgage.

- A. What are the different ways you can make extra payments toward your mortgage? Choose only one.
1. Make a double-up payment. _____
 2. Increase your current P&I by 10%. _____
 3. Make an annual lump sum payment. _____
 4. All the above. _____
- B. What are the different ways you can adjust your principal and interest amount? Choose only one.
1. Change the amortization period. _____
 2. Change your term. _____
 3. Pick a different interest rate. _____
 4. All of the above. _____
- C. The Smith Manoeuvre is:
1. A character from the movie Matrix. _____
 2. A technique to pay off your mortgage. _____
 3. Illegal. _____
 4. I don't know, but please tell me more. _____
- D. If your home is worth \$200k and you wish to borrow \$50k then the loan-to-value would be:
1. 100% _____
 2. 75% _____
 3. 50% _____
 4. 25% _____
- E. An excellent credit score is: Choose only one.
1. 830 _____
 2. 650 _____
 3. 580 _____
 4. 490 _____

Path to Mortgage Freedom

On a scale of 1 - 10, rate yourself on a scale from 1 (low) to 10 (high).

- F. I understand the concept of principal payments and interest payments. _____
- G. I know what the Smith Manoeuvre is. _____
- H. I know there are penalties for breaking my mortgage, and for making extra payments. _____
- I. I know the difference between a variable rate and a fixed rate. _____
- J. I know the difference between a 5-year term and a 10-year term. _____
- K. I know the difference between a mortgage agent and a mortgage broker. _____
- L. I can list five benefits of using a mortgage agent, instead of using a bank. _____
- M. I can tell you two ways to save money and find extra money to pay off my principal and interest. _____
- N. I understand the impact of compounding interest. _____
- O. I can calculate my principal and interest payments. _____
- P. I know more than three ways to reduce my current mortgage. _____
- Q. I know how my mortgage amortization will be affected if I make an extra payment. _____

Pop Quiz Scoring System

Give yourself the followings points for each of the questions above.

A.

1. 5 points
2. 5 points
3. 5 points
4. 15 points

B.

1. 5 points
2. 5 points
3. 5 points
4. 10 points

C.

1. 0 points
2. 10 points
3. 0 points
4. 0 points

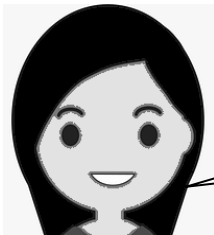
D.

1. 0 points
2. 0 points
3. 0 points
4. 5 points

E.

1. 5 points
2. 0 points
3. 0 points
4. 0 points

For questions F – Q, score the number you put for each of those questions, then add up you score.



How did you do?

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