

## Returns on Your Existing Equity

*Are you currently sitting on real estate with a small or non-existent mortgage? Do not miss out on a great opportunity that uses the Bank's money to create excellent returns as well as a continuous stream of cash flow.*

Since rates are still at an all-time low, refinancing and extracting the equity in your home to use towards investing, is something to seriously consider. For those heading into retirement and/or those who would love to have some extra cash flow, the scenario and explanation below will give you some insight on how to feel comfortable with and reap the benefits from mortgage investing.

Many individuals have expressed a concern that investing in mortgages is too risky. As a result, equity sitting in real estate does not perform and they are missing out on the opportunity to generate additional income. What these individuals are unaware of, is that mortgage investing does not need to be risky. Throughout the past 15 years, we at Pro Funds have directed our business model to focus on private lending. With private lending, we have experienced very low default ratios and returns ranging between 8-15% annually. Remember that by investing in mortgages you are not investing in paper, a stock, or an unsecured loan. These investments are secured on real estate as your funds will be registered on title of the property. Although mortgage lending is not 100% guaranteed, the process is very secure due to the protocol we follow. The direction of funds is a key component to return and success. Pro Funds Mortgages is able to mitigate risky investments by assisting in directing funds to more reliable sources. We do not typically work with those in distressed circumstances or those who have challenged credit. It is because our direction of mortgage placements is geared to investor specific deals (i.e. Investment property, renovation funds, etc.) that we have experienced such low default ratios.

The example below demonstrates how an extraction of equity from existing real estate can be prove to be lucrative:

### **Step 1: Refinance Your Real Estate**

- ☑ Your residence is valued at \$450,000.00
- ☑ Your existing mortgage is at \$125,000.00
- ☑ Pro Funds will refinance at 80% of the current value which totals \$360,000.00
- ☑ We will take a variable mortgage rate at 2.60% and a 25 year amortization
- ☑ Your new monthly payments will total \$1630.66
- ☑ From this refinance you will net \$235,000.00 to invest in mortgages

## **Step 2: Your Mortgage Investment & Return**

- ☑ Pro Funds will assist in finding a suitable mortgage for you
- ☑ The average return is 12% annually interest only
- ☑ On \$235,000.00 at 12% interest you will receive \$2350.00 a month
- ☑ After paying your monthly payments of \$1630.66, you will have positive cash flow of \$720.00 a month
- ☑ Please take note that through this process this investment is also paying off the principal on your mortgage!!

Please note that this example is realistic and is based off of an actual scenario with Pro Funds Mortgages. This demonstrates that even with mortgage payments as a result of a refinance, investors are able to generate positive cash flows monthly. Investors that have leveraged on this investment opportunity with us are thrilled about the financial rewards and passive nature of the process. Many have been able to retire with a very comfortable life style.

I would like to mention that self-directed RRSP's as well as TSFA's are also eligible for mortgage investments. For further details and specific information, visit our website **www.profunds.ca** or contact our office at **1.888.330.3866**.

*Carmen Campagnaro*

President

Pro Funds Mortgages