



# Debt Consolidation Analysis

Prepared For

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MEDITERRANEA

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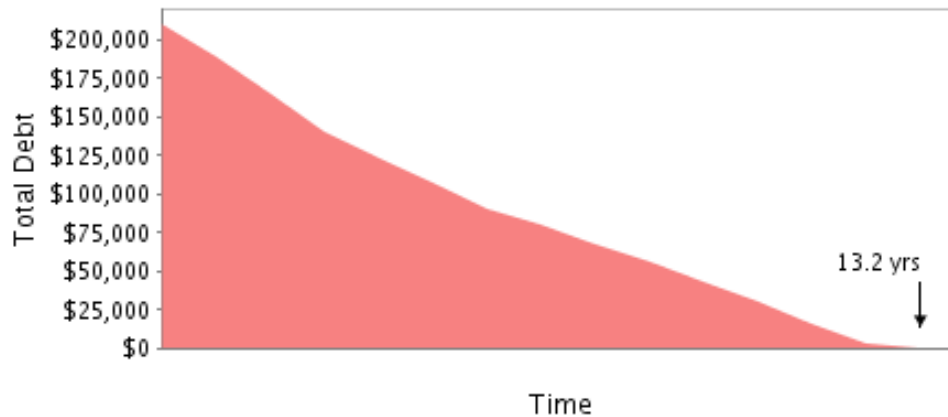
## Current Situation

This debt consolidation analysis has been done for the following liabilities:

Description	Current Loan Balance	Monthly Payment Amount	Interest Rate	Loan Paid Off In
Mortgage	\$150,000	\$1,200	3.67%	13.2 Years
Car	\$15,000	\$500	9.00%	34 Months
Credit Card	\$15,000	\$500	19.90%	41 Months
Line of Credit	\$30,000	\$500	6.00%	72 Months
<b>Total</b>	<b>\$210,000</b>	<b>\$2,700</b>		

When we analyze your current situation, we find that your total payments on all of your loans will be \$262,036 with total interest of \$52,036. Given your current situation, you will be debt free in 13.2 years.

	Total Payment	Total Interest	Total Time
Current Way	\$262,036	\$52,036	13.2 yrs
Borrowing Limit	\$240,000		



\* The borrowing limit based on an estimated 80% of value of your home which would be subject to confirmation.

## Proposed Debt Consolidation

By consolidating liabilities into a single loan you could reduce your interest costs significantly. Here.s the strategy we recommend:

Loan amount: \$213,200 which includes all of the liabilities identified above and also includes \$3,200 penalty to payout your current mortgage.

Interest Rate Assumption: 4.00% variable rate on \$210,000 of the loan.

Lump Sum Payments Made Today: By using any of your current liquid cash from your various bank accounts or other short term savings to pay down your debt you can reduce your overall interest costs. You have indicated you could paydown debt today by \$3,200.

Loan Payments: Your current total payments on the loans identified above are equivalent to \$2,700 per month. Our assumption relative to loan payments for your consolidated loan is that payments will be \$2,000 per month. An assumed reduction of \$700 per month.

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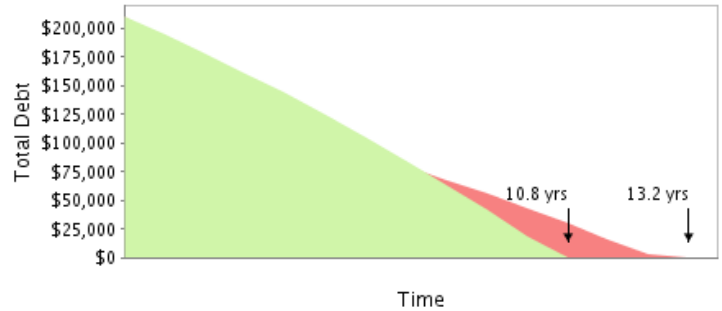
## Results

When we recognize all of the assumptions identified above we have determined that you could realize interest savings of \$3,135 over the lifetime of your loans.

In addition you can reduce your loan period down from 13.2 years to 10.8 years.

This represents an improvement of 2.3 years.

	Total Payment	Total Interest	Total Time
Current Way	\$262,036	\$52,036	13.2 yrs
Proposed Way	\$258,901	\$48,901	10.8 yrs
Borrowing Limit	\$240,000		



\* The borrowing limit based on an estimated 80% of value of your home which would be subject to confirmation.

## Your Current Situation Using Current Mortgage and Loan Rates

Year	Principal	Interest	Ending Balance
1	\$21,847	\$10,553	\$188,153
2	\$23,593	\$8,807	\$164,560
3	\$24,504	\$6,858	\$140,056
4	\$17,405	\$5,194	\$122,651
5	\$15,983	\$4,417	\$106,668
6	\$16,269	\$3,696	\$90,399
7	\$11,271	\$3,129	\$79,129
8	\$11,691	\$2,709	\$67,437
9	\$12,128	\$2,272	\$55,310
10	\$12,580	\$1,820	\$42,729
11	\$13,050	\$1,350	\$29,679
12	\$13,537	\$863	\$16,142
13	\$14,042	\$358	\$2,100
14	\$2,100	\$9	\$0

## Proposed Consolidation Using 4.00% on Variable Loan

Year	Principal	Interest	Ending Balance
1	\$15,889	\$8,111	\$194,111
2	\$16,537	\$7,463	\$177,574
3	\$17,210	\$6,790	\$160,364
4	\$17,911	\$6,089	\$142,453
5	\$18,641	\$5,359	\$123,811
6	\$19,401	\$4,599	\$104,411
7	\$20,191	\$3,809	\$84,220
8	\$21,014	\$2,986	\$63,206
9	\$21,870	\$2,130	\$41,336
10	\$22,761	\$1,239	\$18,575
11	\$18,575	\$326	\$0

These projections are based on the information identified in this report and are for illustration purposes. The results will change should any of the assumptions identified change. The results shown are for illustrative purposes only and are not guaranteed.

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## Commentary on Our Assumptions

**Current Situation** . When we project your current liabilities, we assume that the payments you identified will continue till each loan is paid off. We assume that the interest rates remain constant and that no additional payments are made over the lifetime of the loan.

**Proposed Starting Loan** . When showing the results based on our recommendations, we assume that all the identified liabilities are combined and that any penalties associated with the consolidation are included in the new loan balance. We also apply any lump sum payments you indicated you could make today to reduce the starting loan

**Proposed Payments** . Our projections relative the paydown of your loan include all of the loan payments currently being made on all of your loans until such time as the new loan is paid off.

**Additional Monthly Deposits** . Our projections relative to the paydown of your loan include any additional monthly deposits you identified you could make towards paying down your debt sooner.

**General** . These projections are based on the information identified in this report and are for illustration purposes. The results will change should any of the assumptions identified change. The results shown are for illustrative purposes only and are not guaranteed.