

# The Home Equity Acceleration Plan (H.E.A.P.™)



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# Gathering new clients in the door



- Like it or not, H.E.A.P.™ is the **best door opening topic** I've ever seen.
- If you said:
  - “I'd like to show you how to pay off your mortgage 5, 10, 15+ years early with a plan that will not require you to change your lifestyle and has no downside risk”
- How many people would want to talk with you?
- **90%+** of the ones you introduced it to?
- And when you are talking about a mortgage topic, the client will come in with ALL of their financial information (2 years of tax returns, etc).

# What Is H.E.A.P.™ ?



- H.E.A.P.™ is a dynamic new financial plan that enables you to pay off your home several years early **WITHOUT changing your normal spending habits.**
- It is NOT a bi-weekly payment plan or some other extra payment scheme.
- YOU are completely **in control** of the whole plan.
- H.E.A.P.™ is a simple plan that can be set up literally in a matter of days **once properly budgeted.**
- H.E.A.P.™ is also a plan that has **NO downside and NO risk.**

# Things you need to know to understand why H.E.A.P.™ works



- 1) Interest on home mortgages is paid in **arrears** (we are paying for last month's interest expense).
- 2) Interest is **charged daily** on our home mortgage (not monthly like we pay).
- 3) Almost everyone **earns zero** or close to zero with the **money sitting in their checking account** (and whatever is earned is taxable each year).

# Who does H.E.A.P. work for?



- Those who spend less than they make on an annual basis.
- If you carry a checking account balance and spends less than you make, H.E.A.P.<sup>™</sup> **will** reduce the length of your mortgage.
- The higher the average checking account balance and the more surplus you have, the better H.E.A.P.<sup>™</sup> works.
- Also, you MUST have equity in your house in order to implement H.E.A.P.<sup>™</sup>.

# How does H.E.A.P work



- 1) Work with a H.E.A.P.<sup>™</sup> certified advisor who will gather information and make sure the plan, once setup, is properly budgeted.
- 2) Based on proper budgeting, you will obtain a home equity line of credit (HELOC).
- 3) Then you access the HELOC and use the borrowed funds to pay down the balance on your primary mortgage.
- 3) Then you use the HELOC as your primary checking account. (you deposit paychecks and pay bills from the HELOC).
- 4) When your checking account “surplus” pays down the HELOC to zero, you access it again and the borrowed funds are again applied towards the primary mortgage.

# Why H.E.A.P. works

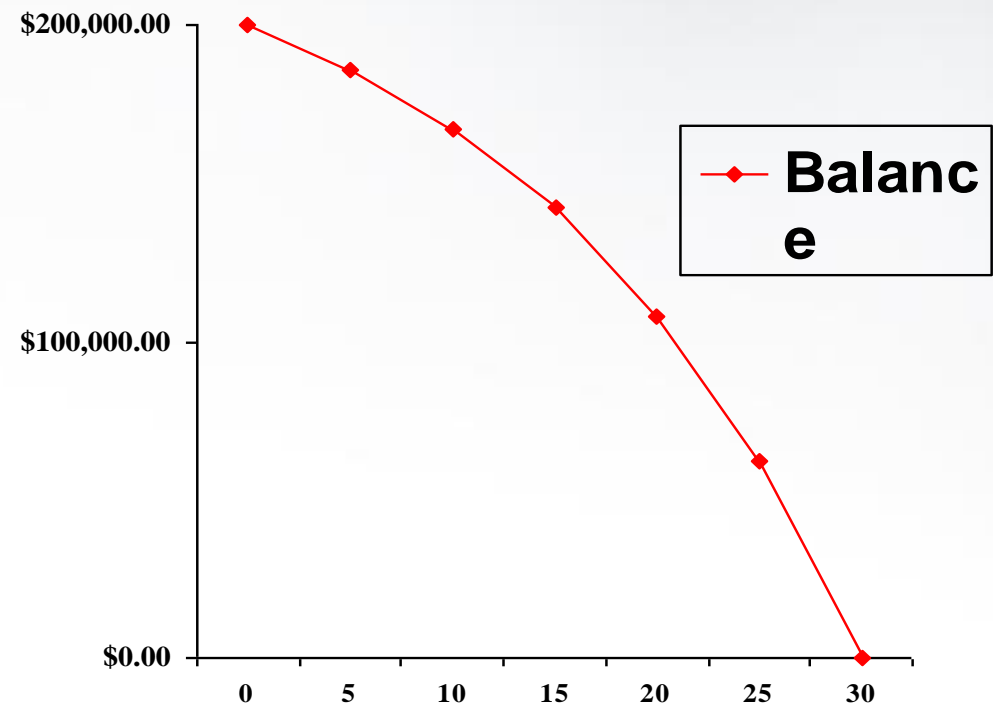


- H.E.A.P.<sup>™</sup> uses **EVERY available dollar EVERY day** to pay down home mortgage debt.
- Remember, money in your checking account earns a client **zero** (or close to it).
- H.E.A.P.<sup>™</sup> also works in good part because you choose to use your checking account surplus to pay the HELOC down to zero every 3-6-9-12 months.
- Those who implement H.E.A.P.<sup>™</sup> can choose to aggressively pay down the HELOC or not.
- You are in complete control and since there is no downside to H.E.A.P.<sup>™</sup> you have **no risk**.

# Normal Principal Reduction



- Normal monthly payments gradually reduce the balance of the loan over the entire term. In this case, assuming \$200,000 borrowed at 6.25% we have a monthly payment of \$1,231.43. The first payment pays **\$189.77** towards principal and \$1,041.67 towards interest.
- As the principal decreases slowly, the interest charges decrease as well. The 60<sup>th</sup> payment of \$1,231.43 applies only **\$257.83** towards principal and \$973.61 towards interest.
- These payments continue until the loan is paid in full.





# Example



## Client Profile

Monthly Income After Taxes = \$5,000

First Mortgage Balance = \$200,000

30-Year Mortgage @ 6.25%

Mortgage Payment = \$1,231.43

Monthly Bills = \$1,650

Misc Monthly Expenses (spending \$) \$800

Total Monthly Outlay = \$3,681.43

# The “Set Up”



- 1) Obtain a HELOC (\$25,000 line).
  - For this example, I will assume **\$10,000** is immediately drawn from the HELOC (7.5% HELOC interest rate).
- 2) Apply **\$10,000** to pay down the primary mortgage  
(Primary mortgage balance = \$190,000 and HELOC balance = \$10,000 starting in month one).
- 3) Use the HELOC as your checking account.
  - \$2,500** (paycheck) is direct deposited into the HELOC twice a month.
  - \$3,681.43** is withdrawn to pay bills each month.
- 4) Go live your life as you normally would and watch your total mortgage debt be reduced.

# HELOC as a checking account



Date	Activity	Amount	Balance	Avail Credit
2/1/2008	1st Mtg Reduction	(\$10,000)	\$10,000	\$15,000
2/15/2008	Payroll Deposit	\$2,500	\$7,562.50	\$17,438
2/28/2008	Payroll Deposit	\$2,500	\$5,109.77	\$19,890
3/1/2008	Bills	(\$3,681.43)	\$8,791.20	\$16,209
3/15/2008	Payroll Deposit	\$2,500	\$6,346.14	\$18,654
3/30/2008	Payroll Deposit	\$2,500	\$3,885.80	\$21,114
4/1/2008	Bills	(\$3,681.43)	\$7,567.23	\$17,433
4/15/2008	Payroll Deposit	\$2,500	\$5,114.53	\$19,885
4/30/2008	Payroll Deposit	\$2,500	\$2,646.49	\$22,354
5/1/2008	Bills	(\$3,681.43)	\$6,327.92	\$18,672
5/15/2008	Payroll Deposit	\$2,500	\$3,867.47	\$21,133
5/30/2008	Payroll Deposit	\$2,500	\$1,391.65	\$23,608
6/1/2008	Bills	(\$3,681.43)	\$5,073.08	\$19,927
6/15/2008	Payroll Deposit	\$2,500	\$2,604.78	\$22,395
6/30/2008	Payroll Deposit	\$2,500	\$121.06	\$24,879
7/1/2008	Bills	(\$3,681.43)	\$3,802.49	\$21,198
7/15/2008	Payroll Deposit	\$2,500	\$1,326.26	\$23,674
7/30/2008	Payroll Deposit	\$2,500	<b><u>HELOC PAYOFF</u></b>	<b><u>Access another \$10k</u></b>

# What just happened?



- The primary mortgage was reduced by \$10,000 in month one.
- The \$10,000 HELOC was paid off within 5 months.
- When the HELOC reaches close to zero, another \$10,000 is accessed to pay down the primary mortgage.
- No spending habits were altered and the “surplus” was automatically applied to pay down the HELOC.
- H.E.A.P.™ **gives you focus** on the **goal of paying off your mortgage** debt and **gives you the discipline** to get it accomplished.

# How much would you have saved with H.E.A.P.<sup>™</sup> as budgeted?



- If you simply paid the mortgage off in 30-years, you would have paid \$243,319 in interest.
- As budgeted with H.E.A.P.<sup>™</sup>, you paid off your mortgage in 8.5 years.
- The total interest paid using H.E.A.P.<sup>™</sup> over 8.5 years = \$57,720.
- This would save you \$185,598 in mortgage interest over the life of your loan.

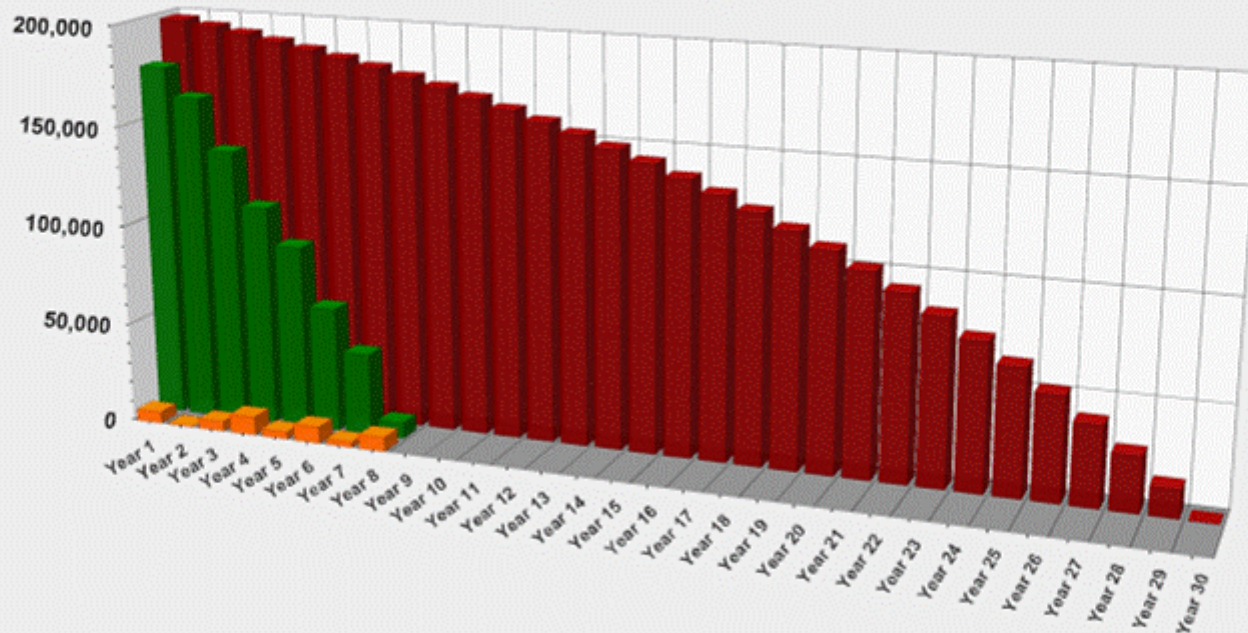
# This is the Power of H.E.A.P.™



Savings Summary

Final	Months Paid	Months Saved	Years Paid	Years Saved	Interest Paid	Interest Saved
1/2017	103	257	8.58	21.42	\$57,720.69	\$185,598.43

Current Debt Comparison



■ Standard Mortgage Schedule   
 ■ H.E.A.P. Schedule   
 ■ HELOC

# What if you don't stay on budget?

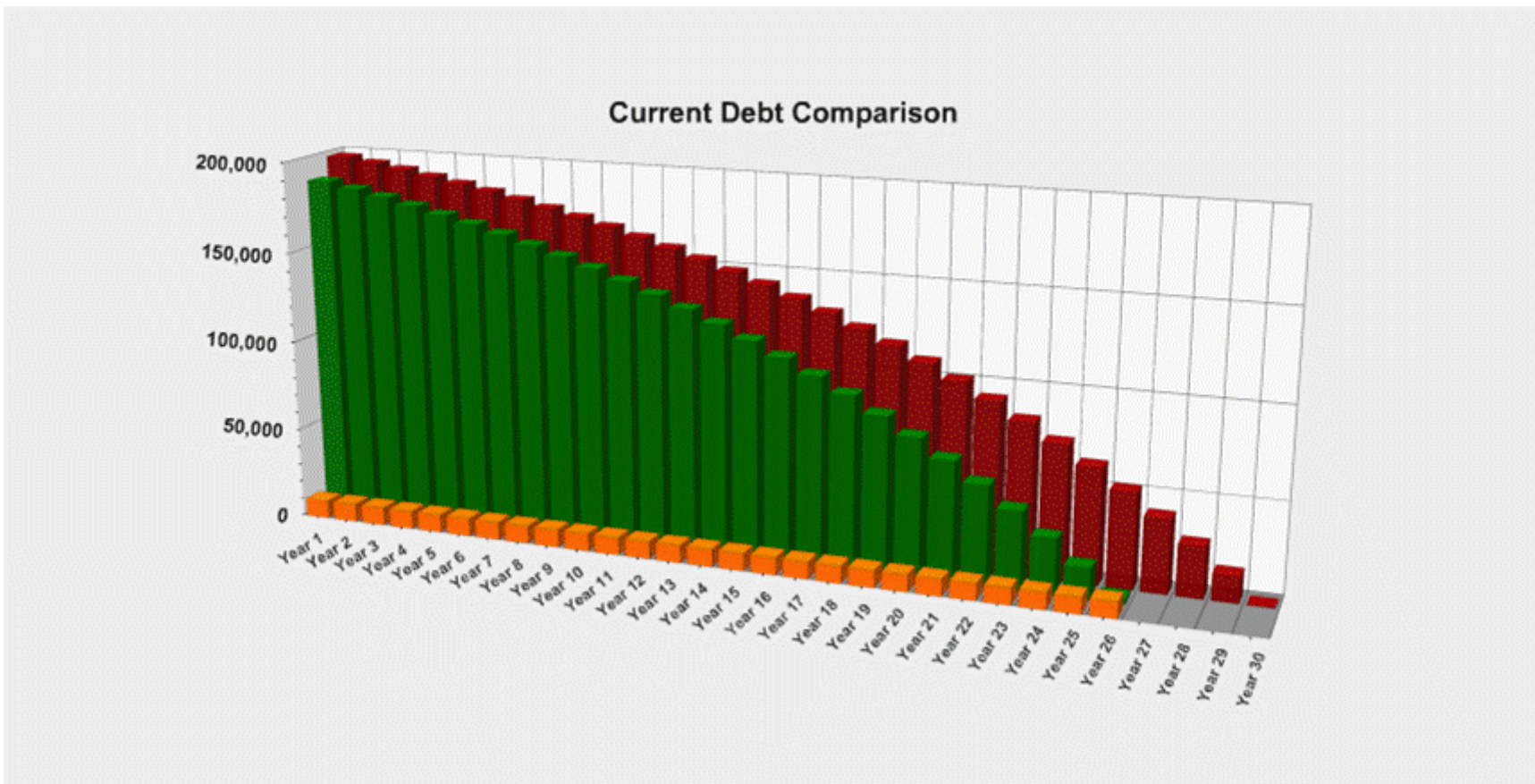


- If you spend more than budgeted, it's not the end of the world as H.E.A.P.<sup>™</sup> has **no risk** to it.
- The end result will be that you take a little longer to pay off your mortgage.
- What's the alternative?
- Do what most people are doing now and that's nothing (thereby paying the debt down over 30-years and giving maximum money to the lender).

# What if you have NO extra money to allocate to paying down a mortgage?



Savings Summary						
Final	Months Paid	Months Saved	Years Paid	Years Saved	Interest Paid	Interest Saved
4/2035	322	38	26.83	3.17	\$210,045.70	\$33,273.42



■ Standard Mortgage Schedule    ■ H.E.A.P. Schedule    ■ HELOC



# Charging for your services



- We recommend that advisors give H.E.A.P.™ away for free.
- You are NOT allowed to charge more than \$500.
- Make money on your normal business not by “selling” H.E.A.P.™
- Clients can be given access to H.E.A.P.™ so they can use it periodically to manage their plan.
  - If you do this there are fees the client must pay.
  - It is NOT necessary to have a plan that works.
  - Plus, if clients have access, advisors lose their excuse to follow up with the client 1-2 times a year on a non-product pushing topic.



# “Bad” acceleration plans

- What is a “bad” acceleration plan?
- -A “bad” plan is one that will work just fine for clients and will help them pay off their mortgage years early, however it is sold in a non-full disclosure manner and at a price that we believe is NOT “client friendly.”
- “Bad” plans sell clients on the fact that expensive/fancy software is “vital” to the mortgage acceleration process. This is absolutely FALSE.
- The first scammer plan charged \$3,500 for software.
- There are others out there that charge \$1,000-\$2,500.
- ANY plan that charges a client is not a “client friendly” plan.

# Marketing using HEAP



- HEAP book – you can write the foreword for
- Custom Brochure
- Illustration Software
  - 3-page HEAP software printout
- HEAP Mobile App
- Squeeze page to sign up for the mobile app
- Landing page for consumers to get the app for free
- Full blown HEAP website for those who want one



Average clients as budgeted for a 30-year home loan using H.E.A.P. will save in excess of \$100,000 of interest on their loan and will pay it off 15+ years quicker.

### SHOULDN'T YOU BE USING H.E.A.P.?

Every month millions of people write out their mortgage check dreaming of the day when they will send their last one. Unfortunately, that day is often 25 years or more down the road.

Every month these same people try to figure out how to send a few extra dollars a month to their lenders to reduce the time it takes to pay down their mortgage. Many people enter into "bi-weekly" plans that take off a few years. But there is a better way, the Home Equity Acceleration Plan (H.E.A.P.™).



Please insert your address information in these lines

Save thousands of dollars in interest payments and pay off the debt on your home 5,10, even 15+ years early using H.E.A.P.



# THE Home Equity Acceleration Plan

Save thousands of dollars in interest payments and pay off the debt on your home 5,10, even 15+ years early using H.E.A.P.

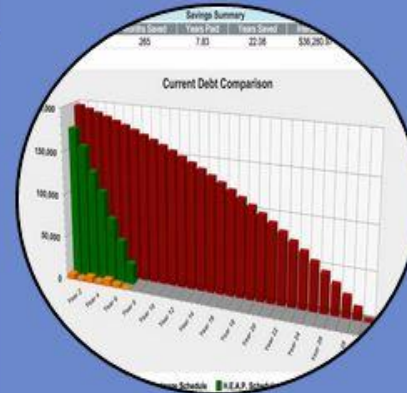


# App



Get the HEAP App for FREE Today!

Fill in the following and start using HEAP on your mobile device today!



Registration form fields:

- Last Name \*
- Email \*
- Username \*
- Password \*
- Phone Number
- City
- SUBMIT**

- If you have already downloaded the HEAP app on your phone or tablet, all you need to do is fill in the above information.
- You create your own unique username and password that will let you activate the app and let you use it for FREE! (a \$9.99 value).

# How can advisors use H.E.A.P.?

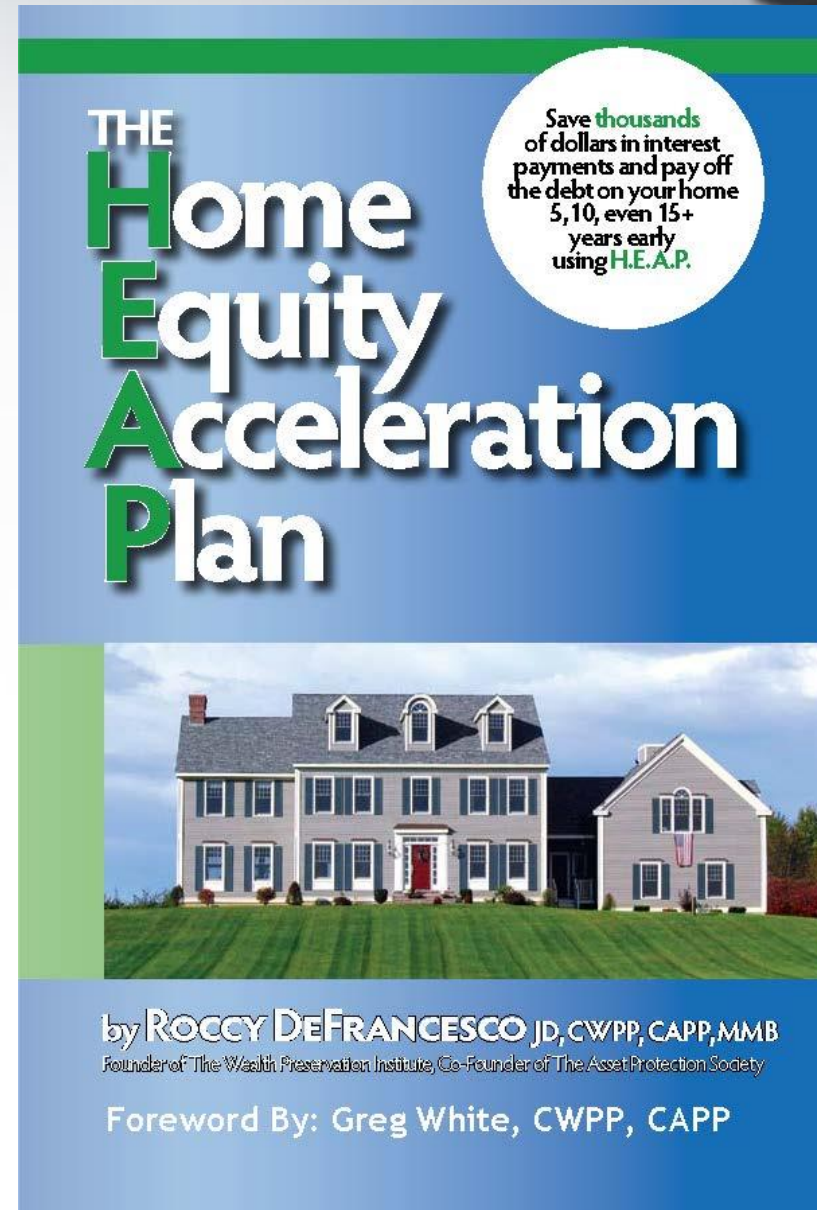


- 1) Spend \$500 to get access to the HEAP online calculator and get set up so you can give away the mobile app for FREE
- Also, you'll get:
  - Custom Brochure
  - Squeeze page to message HEAP and the app
  - Sign-up page so you can gather client data
- 2) Spend \$500 to get your own full-blown HEAP website.
- Ongoing cost to keep HEAP?
  - None if you work with Optima and meet certain production requirements
  - None if put all your fixed business through Optima, even if you don't meet the production requirements

# Continued



- Name on book
  - \$5-\$6 a book with a 100 book minimum
  - Only available to those who sign the production requirement agreement



# Marketing/Summary



- Think about it, if we had a room full of people and asked them if they wanted to talk about the following, which one would they choose?
  - Life insurance
  - Annuities
  - Mutual funds
  - How to pay off your house 5, 10, 15, years early with a plan that has no extra cost and doesn't require you to change your lifestyle.
- We all know the answer. Use HEAP as a great fact gathering tools and one that can be a terrific way to get new potential clients in your database.
- It's really a no brainer decision to use HEAP.



# Questions?



- e-mail [info@heaplan.com](mailto:info@heaplan.com)