



*Saving You Money...Simply*

# Questions & Answers Guide

## How Does The EBS Work?

The Equity Building System (EBS) is based on the simple concept of making one extra payment, per year, to principal. This, in turn, will reduce the total amount of interest paid over the course of the loan. We accomplish this by systematically collecting  $\frac{1}{2}$  of a loan payment every other week. Since there are 52 weeks in a calendar year, this totals 26 half payments. The 26 half payments are the equivalent of 13 full payments, with the “extra payment” being applied directly to principal. This simple concept significantly reduces the total amount of interest paid over the course of the loan.

## How Much Will My Total Interest Savings Be With The EBS?

The amount of interest savings varies, depending on the terms of the loan. You can get a customized savings analysis sheet from your local authorized GemCap distributor. The following is a typical example of the interest savings:

### Regular Loan Terms

<b>Loan Amount:</b>	<b>\$150,000</b>
<b>Interest Rate:</b>	<b>9%</b>
<b>Loan Payoff:</b>	<b>30 years</b>
<b>Monthly Payment:</b>	<b>\$1,206.94</b>
<b>Interest Saved:</b>	<b>\$0</b>
<b>Payments Saved:</b>	<b>0</b>

### EBS Payment Program

<b>Loan Amount:</b>	<b>\$150,000</b>
<b>Interest Rate:</b>	<b>9%</b>
<b>Loan Payoff:</b>	<b>21.9 years</b>
<b>Bi-Weekly Payment:</b>	<b>\$603.47</b>
<b>Interest Saved:</b>	<b>\$88,377</b>
<b>Payments Saved:</b>	<b>97</b>

All calculations are for illustration purposes only. GemCap Equity Management, Inc. does not guarantee these exact savings and is not liable for Lender inaccuracies.

## **What Happens With “Escrow” Payments?**

It is common practice to send money above the normal loan payment to your lender for the purpose of paying taxes and insurance premiums. These funds are deposited into an escrow account, from which the taxes and insurance are paid when due. With the EBS program, this extra amount will also be applied to principal once per year. This extra amount enhances the interest savings, equity buildup, and reduction of the loan term. It is very important for you to keep GemCap Equity Management, Inc. informed of changes in your escrow payments. It is common for your taxes and insurances premiums to increase from time to time. If we are not informed of changes, the required monthly payment may become deficient and create avoidable problems.

## **How Will My Funds Be Collected?**

The EBS electronically debits your bank account through the Automated Clearing House (ACH) system. This ensures the prompt and precise transfer of client funds. The Client enrollment form authorizes GemCap Equity Management, Inc. to debit your specified account. We monitor each client’s account to make sure that the fund transfer was successful. These funds are deposited in an FDIC insured bank. GemCap then draws upon this depository account to make your loan payment.

## **When Will My Loan Payments Be Made?**

Your loan payments will be made by the due date each month. One of the great benefits of our program is that you’ll never have to be concerned with coupons or monthly billings. It’s all automated! You must ensure that there are sufficient funds in your account on the scheduled debit dates of our plan. If the transfer of funds did not occur because of insufficient funds, there will be a charge of \$29 incurred on this same account. It is recommended that you have overdraft protection on your debited account to ensure that this charge is avoided.

Once per year, the successfully collected “extra payment” is sent directly to your Lender and applied to principal. This “extra payment” occurs after the 12<sup>th</sup> month following the initiation of the plan. It is made in the same time frame in each subsequent year. If you have requested applying extra amounts to your normal monthly payment, these funds are applied to principal at the end of the month in which they are collected.

## **What If I Change Bank Accounts?**

If you want to change the account from which GemCap Equity Management, Inc. is debiting, you simply need to notify us of this change. We will request a new voided check or deposit slip to ensure accurate account numbers. It is imperative that this information is communicated from the client to us. We would always like to avoid insufficient funds charges in all cases. Also, failure to notify us could cause loan payments to be misdirected or late.

## **What If I Sell Or Refinance My Property?**

The great thing about our EBS program is that it is transferable for life. If you are planning to refinance or sell your property, you must notify GemCap of any change of loan terms or Lender. This is very IMPORTANT! In addition, loans are sometimes sold from one Lender to another. If you receive any notice of change of Lender, please notify GemCap IMMEDIATELY. The EBS program is transferable to new loans at no additional cost. This benefit does not apply to clients who cancel the program.

## **What Types OF Loans Can I Use The EBS Program For?**

The EBS program works with almost all types of loans or lines of credit. New home purchases, second mortgages, investment properties, RV's, cars, boats, and credit cards are some of the common types. If you are not sure about your particular situation, contact our Customer Service Center.

## **Who Do I Contact With Questions or Changes?**

GemCap Equity Management, Inc. Customer Service Center is open Monday-Thursday from 9:00am-5:00pm and Friday from 9:00am-12:00noon. As a general rule, if there are any changes in your loan terms, bank account or Lender, you need to contact GemCap immediately. We are only as good as the information that we have on file. You can contact us in the following ways:

### **Customer Service**

**Phone: 419-866-1910**

**Fax: 419-868-2933**

### **Mailing Address**

**GemCap Equity Management, Inc.**

**P.O. Box 246**

**Maumee, Ohio 43537**