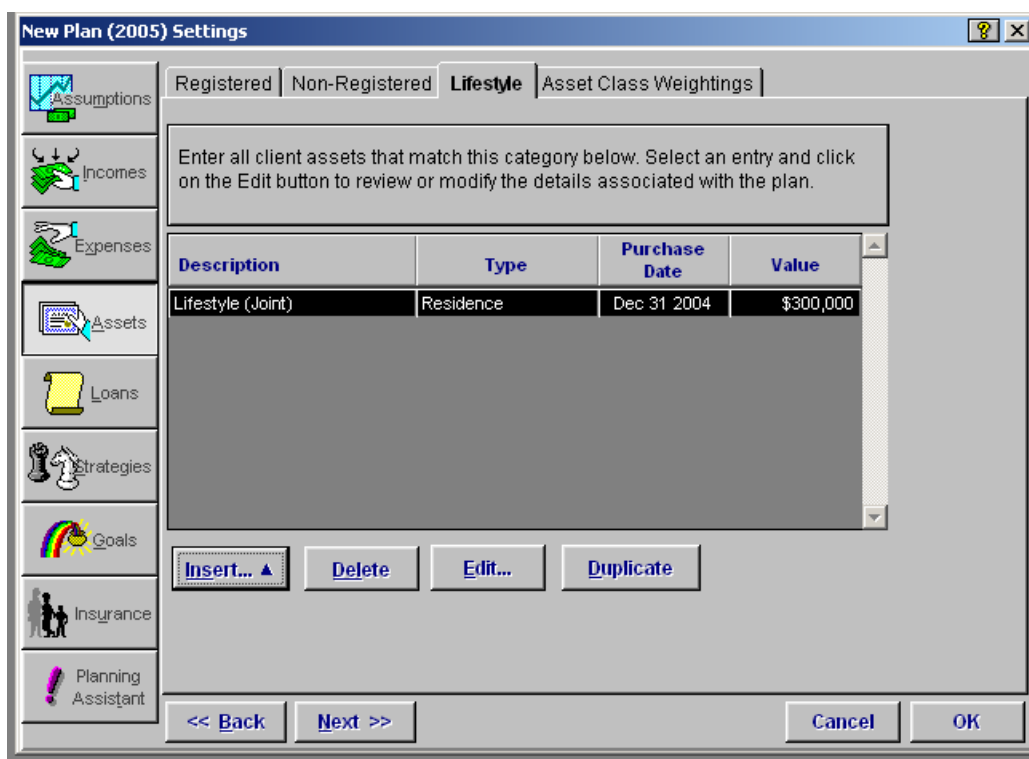


## Downsizing a home for retirement in NaviPlan Standard

Often, retirees choose to downsize their house because they no longer need so much room.

These are the steps to show the downsizing of a home in NaviPlan Standard:

1. From the *Data* menu, select **Assets**. Click the **Lifestyle** tab to display the existing residence.
2. Select the existing residence, and then click **Edit**.



The *Lifestyle Asset* dialog box opens.

3. Enter the applicable *Sale Date* for the existing house. Click **OK**.

4. On the *Assets* category – *Lifestyle* tab, click **Insert – Residence**.

Description	Type	Purchase Date	Value
Residence (Joint)	Residence	Dec 31 2004	\$300,000

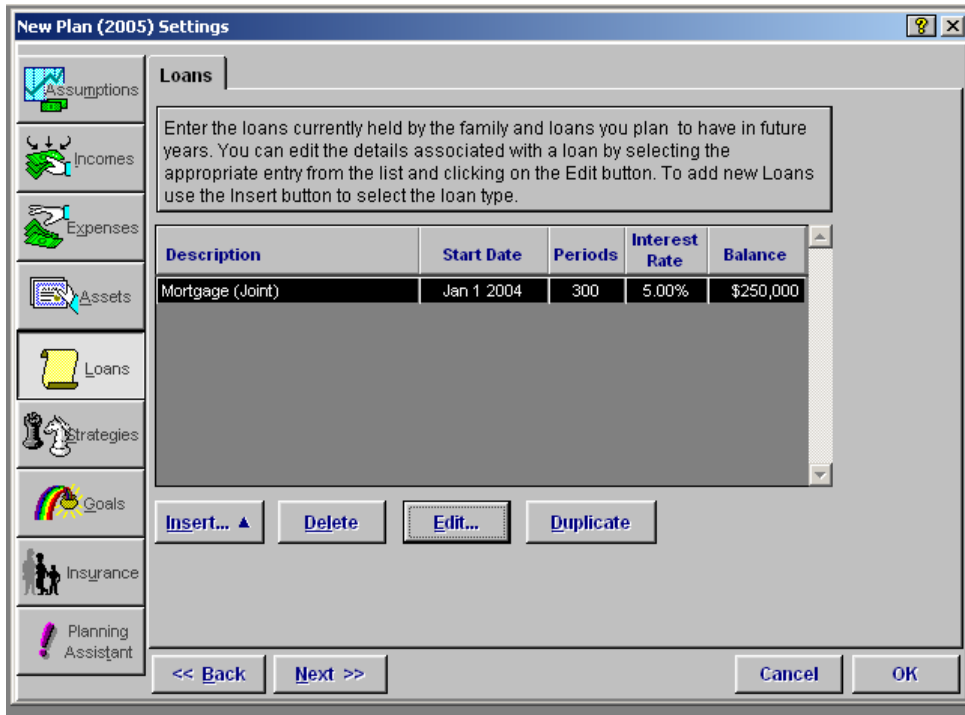
The *Lifestyle Asset* dialog box opens.

- Enter the details for the new house. The *Purchase Date* for the new house usually corresponds with the *Sale Date* for the existing house. Click **OK**.

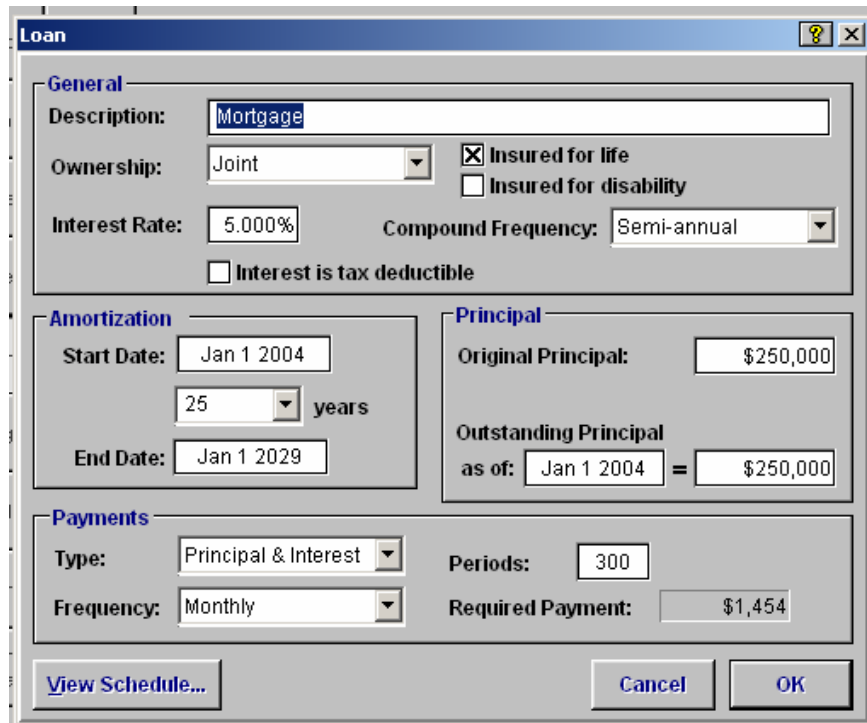
Both houses now appear on the *Assets* category – *Lifestyle* tab.

Description	Type	Purchase Date	Value
New Residence (Joint)	Residence	Jan 1 2010	\$0
Residence (Joint)	Residence	Dec 31 2004	\$300,000

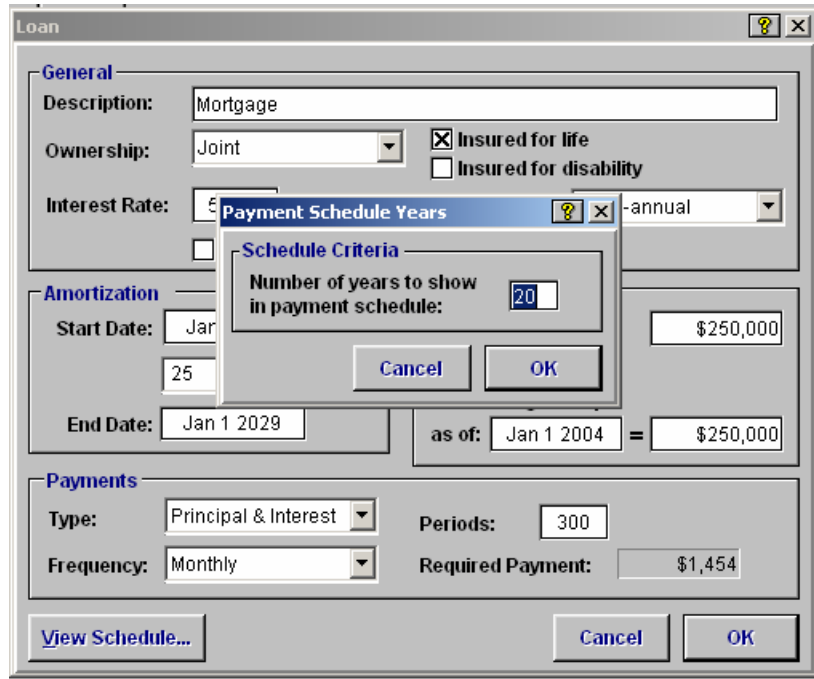
- Select the **Loans** category to display the existing mortgage.



- Select the existing mortgage, and then click **Edit**.  
The *Loan* dialog box opens.



8. Click **View Schedule**. The *Payment Schedule Years* dialog box opens. Click **OK**.



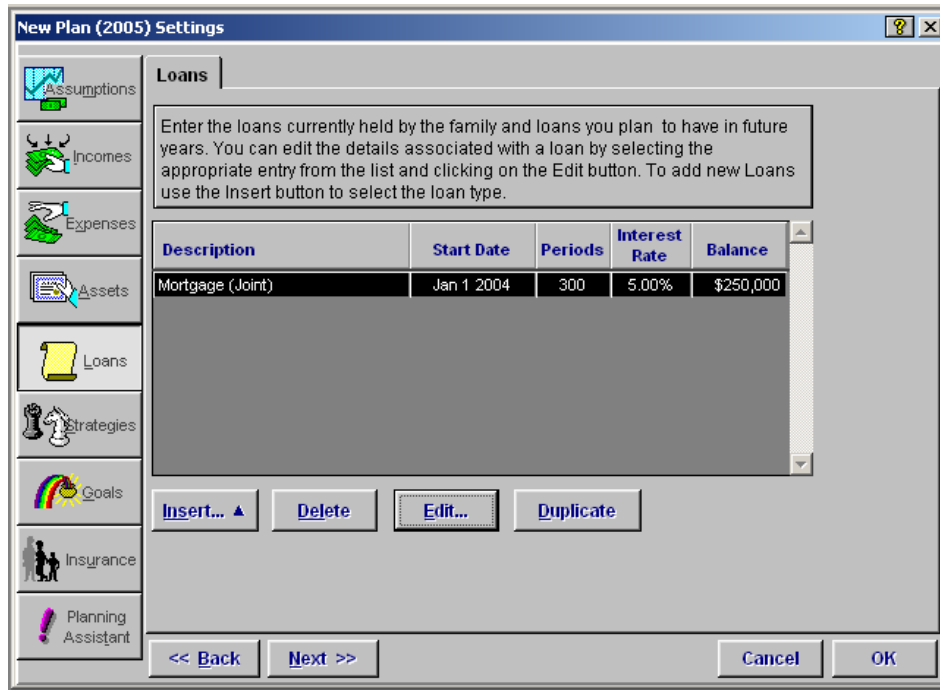
9. Scroll down until you get to the year in question for the sale of the house. Write down the amount found in the *New Principal Outstanding* column for the month before the sale of the existing house.

**Liability Payment Schedule for Mortgage** Dec 22 2004

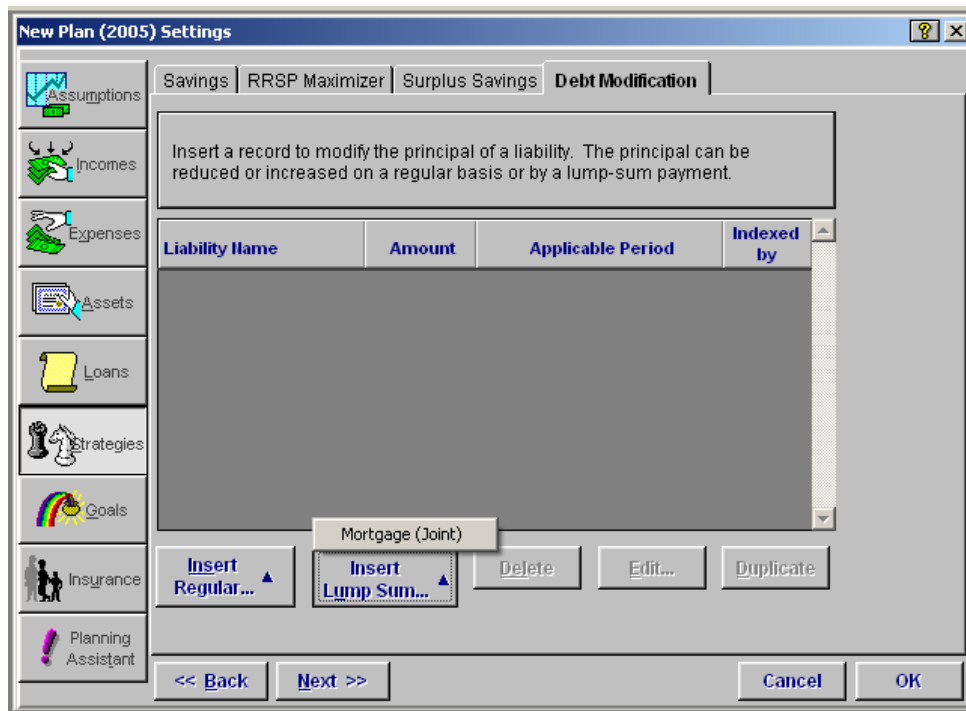
**Payments for Mortgage**  
Method: Principal & Interest

Payment Date	Total Money Owning Before Payment	Principal & Interest Payment	Interest Payment	Principal Payment	New Principal Outstanding
Jul 31 2009	217,985.97	1,454.01	898.96	555.06	217,430.92
Aug 31 2009	217,430.92	1,454.01	896.67	557.35	216,873.57
Sep 30 2009	216,873.57	1,454.01	894.37	559.64	216,313.93
Oct 31 2009	216,313.93	1,454.01	892.06	561.95	215,751.97
Nov 30 2009	215,751.97	1,454.01	889.74	564.27	215,187.70
<b>Dec 31 2009</b>	<b>215,187.70</b>	<b>1,454.01</b>	<b>887.42</b>	<b>566.60</b>	<b>214,621.11</b>
Jan 31 2010	214,621.11	1,454.01	885.08	568.93	214,052.17
Feb 28 2010	214,052.17	1,454.01	882.73	571.28	213,480.90
Mar 31 2010	213,480.90	1,454.01	880.38	573.64	212,907.26
Apr 30 2010	212,907.26	1,454.01	878.01	576.00	212,331.26
May 31 2010	212,331.26	1,454.01	875.64	578.38	211,752.88
Jun 30 2010	211,752.88	1,454.01	873.25	580.76	211,172.12
<b>Totals (2005)</b>		<b>17,448.15</b>	<b>11,992.11</b>	<b>5,456.04</b>	

10. Click **Done**, and then click **OK** to get back to the *Loans* category.

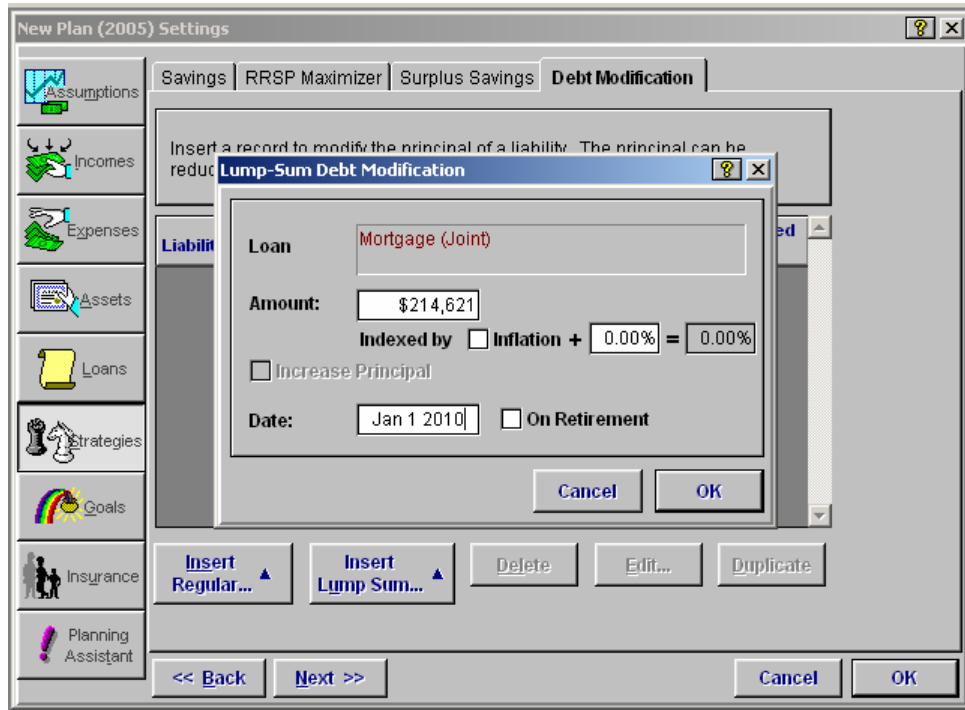


11. Select the **Strategies** category – **Debt Modification** tab. Click **Insert Lump Sum – Mortgage (Joint)**.

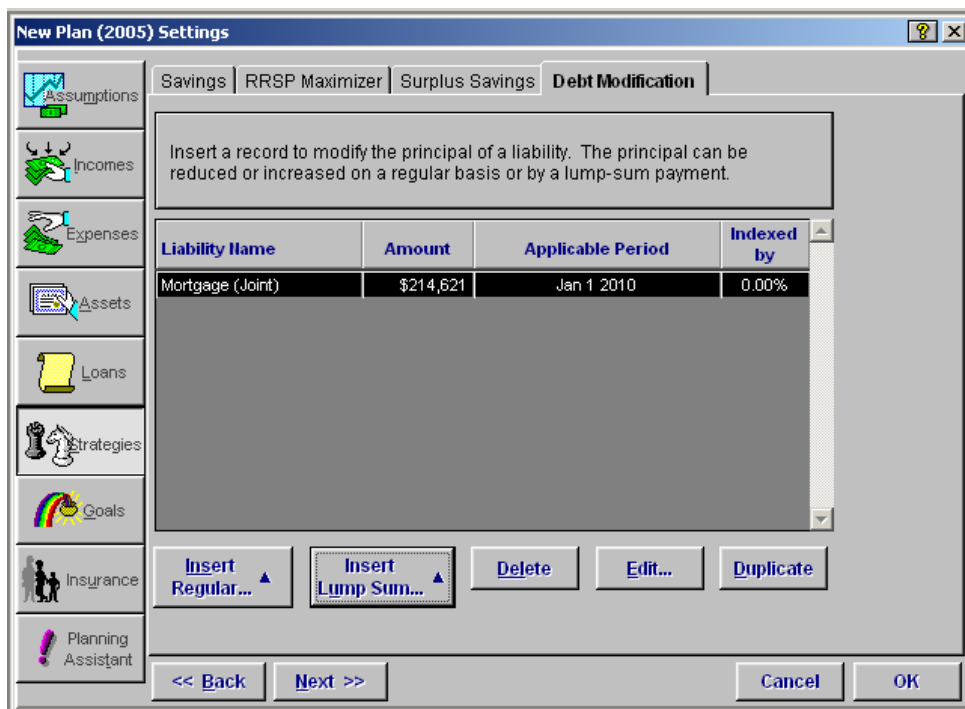


The *Lump-Sum Debt Modification* dialog box opens.

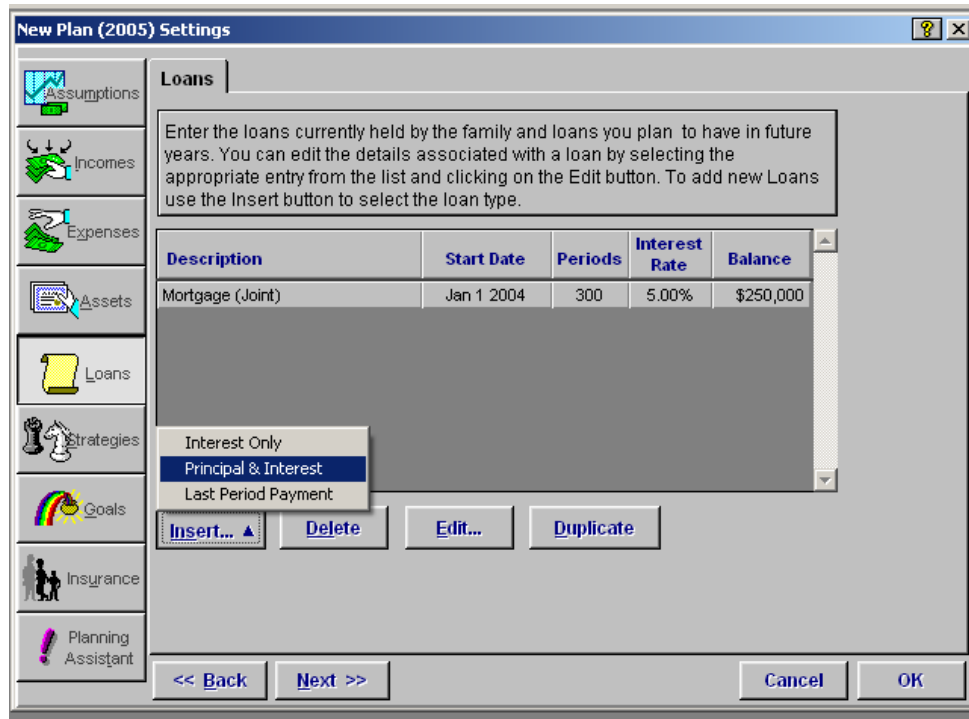
- Enter the amount you noted from the *New Principal Outstanding* column (in the *Liability Payment Schedule for Mortgage*) as the *Debt Modification Amount* in the *Lump-Sum Debt Modification* dialog box. The *Date* of the debt modification strategy corresponds with the *Sale Date* of the existing house. Click **OK**.



You are back to the *Strategies* category– *Debt Modification* tab.

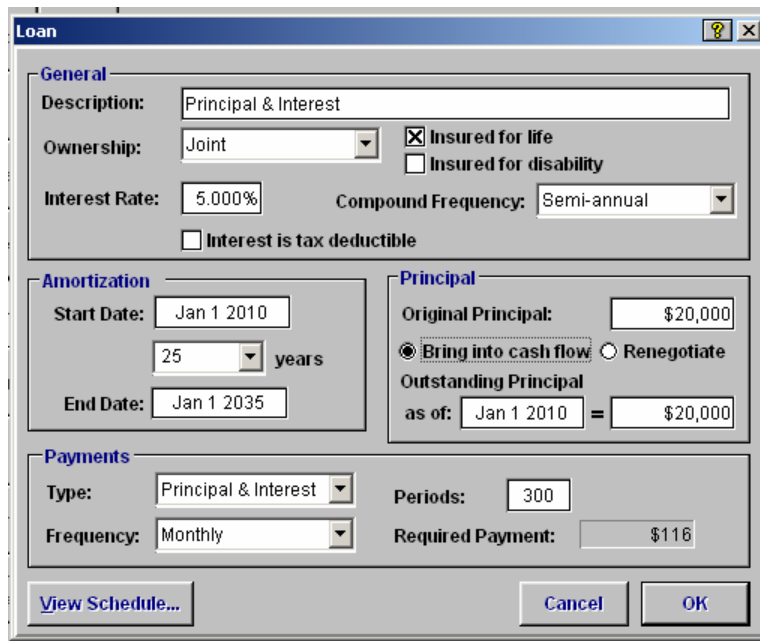


13. Select the **Loans** category. Click **Insert – Principal & Interest**.



The *Loan* dialog box opens.

14. Enter the details of the new mortgage. The *Start Date* for the new mortgage corresponds with the *Sale Date* for the existing house. Click **OK**.



15. To confirm these transactions, view the *Cash Flow Details* report by selecting the **Report** menu – **Cash Flow – Cash Flow Details** and proceed to the year in question.
- The sale of the house and the new mortgage will appear in the *Cash Inflows*
  - The *Debt Modification Strategy* and the purchase of the new house will appear in the *Cash Outflows*