

FINANCE CALCULATION FORMULAS

True Annual Interest Rate: 8.40%

Amortization Period (Loan Term)		Years	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5
		Months	6	12	18	24	30	36	42	48	54	60
Row 1: Monthly Payment Amortization Rate	8.40%		0.17062	0.08703	0.05918	0.04527	0.03693	0.03138	0.02742	0.02446	0.02216	0.02032
Row 2: Total First Term (5 Year) Interest Paid			0.02374	0.04438	0.06529	0.08647	0.10793	0.12965	0.15165	0.17392	0.19645	0.21925

FINANCE CALCULATIONS

A) Monthly Loan Payment

Amount Loaned (\$)

x

Monthly Payment Rate
(corresponding to Amortization Period from Row 1)

=

Monthly Payment (\$)

Example

\$ 4,500

x

0.02032
5 year amortization (loan term)

=

\$ 91.44

B) Total First Term Interest Paid

Amount Loaned (\$)

x

First Term Interest Payable Rate
(corresponding to Amortization Period from Row 2)

=

Total Maximum Interest Payable(\$)

Example

\$ 4,500

x

0.21925
5 year amortization (loan term)

=

\$ 986.63

Example: Completion of Financing Agreement Section (Part 1 of Application Forms)

The example below provides outline of what figures need to be completed on the financing section of Part 1 of the Energy Finance Plan. In this example, the loan amount is \$4,500 over 5 years.

FINANCING AGREEMENT:

1. Manitoba Hydro will advance to the Primary Contractor or Retailer named above the Total Cost to be Financed, in the amount of \$

Enter Total Amount to be loaned to a maximum of

 upon receipt of the Completion Certificate signed by the Owner.
2. The Owner will repay said amount to Manitoba Hydro plus financing charges of \$

Use Finance Calculation (B) to determine Maximum interest payable over term of fixed interest rate period.

 by

Enter amortization period (loan term) of up to 60 months (5 years)

 equal consecutive monthly payments of \$
- calculated at the true annual rate of

Current interest rate (8.40%)

 % per annum on the declining monthly balance.
- TOTAL AMOUNT TO BE REPAYED BY OWNER, INCLUDING FINANCIAL CHARGES: \$

Result of Finance Calculation (B) + amount to be loaned