

## ENERGY FINANCE PLAN FINANCE CALCULATION FORMULAS

True Annual Interest Rate:

7.80%

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	7.80%		0.17035	0.08677	0.05893	0.04502	0.03668	0.03112	0.02716	0.02419	0.02189	0.02005
Row 2: Total First Term (5 Year) Interest Paid			0.02209	0.04128	0.06070	0.08036	0.10026	0.12039	0.14076	0.16136	0.18219	0.20326

### FINANCE CALCULATIONS

#### A) Monthly Loan Payment

$$\text{Amount Loaned (\$)} \times \text{Monthly Payment Rate} = \text{Monthly Payment (\$)}$$

(corresponding to Amortization Period from **Row 1**)

Example

$$\text{\$ } 4,500 \times 0.02005 = \text{\$ } 90.23$$

5 year amortization (loan term)

#### B) Total First Term Interest Paid

$$\text{Amount Loaned (\$)} \times \text{First Term Interest Payable Rate} = \text{Total Maximum Interest Payable(\$)}$$

(corresponding to Amortization Period from **Row 2**)

Example

$$\text{\$ } 4,500 \times 0.20326 = \text{\$ } 914.67$$

5 year amortization (loan term)

#### 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 \$

Total Amount to be loaned  
(max \$5,000)

upon receipt of the Completion Certificate signed by the Owner.

2. The Owner will repay said amount to Manitoba Hydro plus financing charges of \$

Calculation (B)  
Total First Term Interest Paid

by

Amortization Period (loan term)  
Max 60 months (5 years)

equal consecutive

monthly payments of \$

Use Calculation (A)  
Monthly Payment

calculated at the true annual rate of

Current interest rate  
(7.80%)

% per annum on the declining monthly balance.

TOTAL AMOUNT TO BE REPAYED BY OWNER, INCLUDING FINANCIAL CHARGES: \$

Calculation (B) + amount to be loaned



Financing terms can be calculated using the online financing calculator at [www.hydro.mb.ca/your\\_home/loans\\_financing/energy\\_finance\\_plan/#calculator](http://www.hydro.mb.ca/your_home/loans_financing/energy_finance_plan/#calculator)