

HOME ENERGY EFFICIENCY LOAN FINANCE CALCULATION FORMULAS

True Annual Interest Rate:

6.60%

| 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 | 6.60% | | 0.16980 | 0.08625 | 0.05842 | 0.04450 | 0.03616 | 0.03061 | 0.02664 | 0.02367 | 0.02137 | 0.01952 |
| Row 2: Total First Term (5 Year) Interest Paid | | | 0.01877 | 0.03505 | 0.05150 | 0.06812 | 0.08490 | 0.10186 | 0.11899 | 0.13629 | 0.15376 | 0.17140 |

FINANCE CALCULATIONS

A) Monthly Loan Payment

$$\begin{array}{l}
 \text{Amount Loaned (\$)} \quad \times \quad \text{Monthly Payment Rate} \quad = \quad \text{Monthly Payment (\$)} \\
 \text{(corresponding to Amortization Period from Row 1)} \\
 \text{Example} \quad \$ 4,500 \quad \times \quad 0.01952 \quad = \quad \$ 87.84 \\
 \text{5 year amortization (loan term)}
 \end{array}$$

B) Total First Term Interest Paid

$$\begin{array}{l}
 \text{Amount Loaned (\$)} \quad \times \quad \text{First Term Interest Payable Rate} \quad = \quad \text{Total Maximum Interest Payable(\$)} \\
 \text{(corresponding to Amortization Period from Row 2)} \\
 \text{Example} \quad \$ 4,500 \quad \times \quad 0.17140 \quad = \quad \$ 771.30 \\
 \text{5 year amortization (loan term)}
 \end{array}$$

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 Home Energy Efficiency Loan Agreement.

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 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

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

equal consecutive

monthly payments of

Calculation (A)
Monthly Loan Payment

calculated at the true annual rate of

Current interest rate
(6.60%)

annum on the declining monthly balance.

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

Calculation (B) + amount to be loaned



To ensure accuracy, financing terms can be calculated using the online financing calculator at www.hydro.mb.ca/your_home/residential_loan/calculator/