

SAMPLE LOAN "A"

Assume a loan amount of \$50,000 where the bank elects to enroll the entire loan amount and charge the borrower 1.5% and the total bank portfolio of enrolled loans are less than \$1,000,000.00.

Loan Amount	\$50,000.00
Covered Amount	\$50,000.00
Borrower Reserve (1.5% of covered amount)	\$ 750.00
Bank Reserve (can be charge to borrower)	\$ 750.00
ADFA Reserve (assume portfolio < \$1,000,000)	\$ 2,250.00*
Total Reserve (sum of bank, borrower & ADFA)	\$ 3,750.00

* If the total amount of the enrolled loans under the program is greater than \$1,000,000, the ADFA contribution will be equal to 100% of the sum of the bank and borrower contribution. In this case, the ADFA contribution would be \$1,500.00. As presented above, the total portfolio is less than \$1,000,000 so the ADFA contribution is equal to 150% of the sum of the bank and borrower contribution. Obviously this will change the total reserve by \$750.00(2,250 - 1,500).