SAMPLE LOAN "B"

Assume a loan amount of $250,000 where the bank elects to enroll only $200,000 of the loan amount and charge the borrower 2.0% and the total bank portfolio of enrolled loans are less than $1,000,000.00.

Loan Amount	$250,000.00
Covered Amount	$200,000.00
Borrower Reserve (2.0% of covered amount)	$ 4,000.00
Bank Reserve (can be charge to borrower)	$ 4,000.00
ADFA Reserve (assume portfolio < $1,000,000)	$ 12,000.00*
Total Reserve (sum of bank, borrower & ADFA)	$ 20,000.00

* 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 $8,000.00. 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 $4,000 (12,000 - 8,000).