

SAMPLE LOAN "C"

Assume a current unenrolled loan amount of \$150,000 where the bank refinances the loan and advances an additional \$25,000 in new money. The old loan amount of \$150,000 is ineligible to be enrolled, but the new money of \$25,000 is eligible. Assume the bank elect to enroll only \$20,000 of the new amount and charges the borrower 2.0% and the total bank portfolio of enrolled loans is less than \$1,000,000.00.

Loan Amount	\$175,000.00
Eligible Amount	\$ 25,000.00
Covered Amount	\$ 20,000.00
Borrower Reserve (2.0% of covered amount)	\$ 400.00
Bank Reserve (can be charge to borrower)	\$ 400.00
ADFA Reserve (assume portfolio < \$1,000,000)	\$ 1,200.00*
Total Reserve (sum of bank, borrower & ADFA)	\$ 2,000.00

* 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 \$800.00. 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 \$400 (1,200 - 800).