Example 4

Outstanding Mortgage balance is €150,000. At the point of the Payment Break (PB) starting there are 10 years remaining at a Standard Variable Rate of 4.3% in place.

Example for Illustrative Purposes Only

Amount Owed	€ 150,000
Standard Variable Interest Rate	4.30%
Monthly Repayment Before the Payment Break	€ 1,540
Original Cost of Credit (COC)	€ 34,819
Remaining Mortgage Term Before the Payment Break	10 years

Option 1(A) – 6 Month term extension provided – No Extra Payments whilst in PB	
New Remaining Mortgage Term	10 years
New Monthly Repayment	€ 1,574
New Total Cost of Credit	€ 38,828
Increase in Cost of Credit	€ 4,009

Option 1(B) – COC where Lump Sum of €500 made during month 2 of PB	
New Remaining Mortgage Term	10 years
New Monthly Repayment	€ 1,568
New Total Cost of Credit	€ 38,710
Increase in Cost of Credit	€ 3,891

Option 1(C) – COC with three separate monthly payments of €500 (€1500 in total) being made during PB	
New Remaining Mortgage Term	10 years
New Monthly Repayment	€ 1,558
New Total Cost of Credit	€ 38,473
Increase in Cost of Credit	€ 3,655

The options above demonstrate that if payments are made within the Payment Break, this will reduce the overall increase in the Cost of Credit of the mortgage