

Example 5

Outstanding Mortgage balance is €150,000. At the point of the Payment Break (PB) starting there are 10 years remaining at a Fixed Rate of 2.6% in place.

Example for Illustrative Purposes Only

Amount Owed	€ 150,000
Fixed Rate	2.60%
Monthly Repayment Before the Payment Break	€ 1,421
Original Cost of Credit (COC)	€ 20,506
Remaining Mortgage Term Before the Payment Break	10 years

Option 1(A) – 6 Month term extension provided – No Extra Payments whilst in PB		Option 1(B) – COC where Lump Sum of €500 made during month 2 of PB	
New Remaining Mortgage Term	10 years	New Remaining Mortgage Term	10 years
New Monthly Repayment	€ 1,439	New Monthly Repayment	€ 1,435
New Total Cost of Credit	€ 22,734	New Total Cost of Credit	€ 22,665
Increase in Cost of Credit	€ 2,229	Increase in Cost of Credit	€ 2,159

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	€ 1,425
New Total Cost of Credit	€ 22,525
Increase in Cost of Credit	€ 2,020

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