

AS AN EXAMPLE of the way a CHFA ARM works:

You receive a loan in an amount up to 70% of the value of your home. The maximum loan amount is \$417,000 which is 70% of a home valued at \$595,700. Loan payments are made to you on the first day of every month for five (5) years or ten (10) years. Every year the monthly payment that you receive will increase by 3% in order to help you meet any increased living costs. For example, an initial \$1,358 monthly payment grows to be \$1,528 in the fifth year. These monthly payment amounts are after subtracting out the interest from the monthly loan advance.

The table below provides examples of monthly payments for both a five-year payment period and a ten-year payment period (with or without lump sum payments). The interest rate is 7.0% (7.1% APR) for this example.

10-Year Payment Period		Approximate 1st-Year Monthly Payment		
Appraised Value of Home	Maximum Loan Amount	Taking No Lump Sum	Taking a \$5,000 Lump Sum	Taking a \$25,000 Lump Sum
\$100,000	\$ 70,000	\$ 343	\$ 292	\$ 86
125,000	87,500	433	381	175
150,000	105,000	522	471	265
200,000	140,000	702	650	444
250,000	175,000	881	830	624
295,000	207,000	1,045	994	788
476,700	333,700	1,695	1,643	1,439
513,400	359,300	1,826	1,775	1,570
595,700 or higher	417,000	2,122	2,070	1,865

5-Year Payment Period		Approximate 1st-Year Monthly Payment		
Appraised Value of Home	Maximum Loan Amount	Taking No Lump Sum	Taking a \$5,000 Lump Sum	Taking a \$25,000 Lump Sum
\$100,000	\$ 70,000	\$ 896	\$ 803	\$ 428
125,000	87,500	1,127	1,034	660
150,000	105,000	1,358	1,265	891
200,000	140,000	1,821	1,727	1,353
250,000	175,000	2,283	2,190	1,815
295,000	207,000	2,706	2,610	2,238
476,700	333,700	4,379	4,286	3,914
513,400	359,300	4,718	4,624	4,252
595,700 or higher	417,000	5,480	5,386	5,013

Q. How can I estimate the amount of the monthly payment that I would receive for five years, taking no lump sum?

A. Your monthly payment would be approximately 0.9% of the lesser of \$595,700 or the appraised value of your home.