

A mortgage loan is financed through the Credit Union **only for Penn South apartment purchases**. 100% of the loan is collateralized by the equity in the co-op apartment.

The interest rate is a fixed rate determined by the following variables:

1. Credit score of applicant(s) (minimum score +675)
2. Length of loan term
3. U.S. Treasury 10 year note interest rate

SAMPLE INTEREST RATE CALCULATION:

NOT INTENDED TO BE REFLECTIVE OF ACTUAL RATES.

The following is a sample interest rate calculation for an applicant with a score over +700.

5 YEAR TERM:

$$2.5\% + \underline{2.0\%} + 1\% = \underline{5.5\%}$$

[^] Applicant with a +700 Credit Score

[^] Sample U.S. Treasury Rate, 10 Yr. Bond Index. NOTE: actual rate fluctuates daily.

[^] 5 Year Term Option

NOTE: **IF CREDIT SCORE IS BELOW 700:** add 0.5% to the overall rate calculation (above)

10 YEAR TERM:

$$2.5\% + \underline{2.0\%} + 1.5\% = \underline{6.0\%}$$

[^] Applicant with a +700 Credit Score

[^] Sample U.S. Treasury Rate, 10 Yr. Bond Index. NOTE: actual rate fluctuates daily.

[^] 10 Year Term Option

NOTE: **IF CREDIT SCORE IS BELOW 700:** add 0.5% to the overall rate calculation (above)

INDIVIDUAL INTEREST RATE CALCULATION:

Please leave this portion of the form blank so that it can be calculated during your meeting with loan officer.

Part 1 of 3: Portion relative to Credit Score

Part 2 of 3: (Portion based on) U.S. Treasury Rate

Part 3 of 3: (Portion based on) Loan Term

+ _____
+ _____
= _____

**CONFIRMED INTEREST RATE
DATED _____**