

Increase of Existing Mortgage Balance and Blending with an Extension of the Current Mortgage Term.

To calculate the blended rate when there is an increase to the current mortgage amount and an extension of the current mortgage term, our blend and extend calculator is used. The calculator will first calculate the weighted average interest rate using the existing mortgage amount, rate and remaining term and the new money being advanced at the new interest rate for the remainder of the existing mortgage term. Once that is calculated, we then take into account what the new mortgage is going to look like, in terms of the new balance, new rate and the difference in the remaining term and the new term. These factors are then combined to create the interest rate for the new mortgage.

Please note: CMLS requires the current mortgage to be in good standing for at least 1 year – exceptions may be granted on a case-by-case basis. A minimum increase of \$25,000 is required for this program. *

* Subject to a full underwriting review and must qualify under current lending guidelines

Example:

Existing Borrower has a mortgage of \$254,355.00 at 2.44% with 26 months remaining. They wish to purchase and obtain an additional \$40,000 over 5 years at 2.59% and take advantage of the CMLS Increase, Blend and Extend policy. We have highlighted the details needed to calculate the blended rate below:

Existing Mortgage (A)	
Remaining Balance	\$254,355.00
Existing Interest Rate	2.44%
Remaining Term (months)	26
Increase Details (B)	
New Money being Advanced	\$40,000.00
Interest Rate (5 year - rate sheet)	2.59%
Remaining Term (Existing Mortgage)	26
New Mortgage (5 Year)	
Total Money being Advanced (A+B)	\$294,355.00
Interest Rate	2.59%
Term (new term LESS remaining existing term) 60-26	34

A + B = C	
A. Existing Mortgage	
• Remaining Balance: \$254,355.00	
• Interest Rate: 2.44%	
• Remaining Term: 26 months	
B. Increase Details	
• NEW Money Advanced: \$40,000.00	
• Interest Rate: 2.59%	
• Remaining Term: 26 months	



C + D = E	
C. Weighted Average Rate	
(\$254,355.00 * 2.44) / 294,355.00 = 2.11%	2.11
(\$40,000.00 * 2.59) / 294,355.00 = 0.35%	<u>+ 0.35</u>
	2.46%
D. Total	
• NEW Term: 60 months	
• Interest Rate: 2.59%	
• Existing Term: 26	
• New Money Term: 34	
• Weighted Average Rate: 2.46%	



CMLS Blend Calculator

Blend and Extend Calculator	
Existing CMLS Loan	
Balance at Payout	\$ 254,355.00
Rate on Existing Mortgage	2.44%
Maturity Date	August 28, 2017
Remaining Term	26 Months
New Loan	
Funding Date	July 1, 2015
Total New Loan Amount	\$ 294,355.00
Rate for Current Product	2.59%
Term For New Product	60 Months
Blended Rate	2.46%
Blend and Extend Rate	2.53%
Adjustment to Add to Compass	-0.0600%

E. New Interest Rate	(2.59% * 34) / 60
An increase of \$40,000.00 @ 2.59% on an existing mortgage of \$254,355.00 @ 2.44% and extending to a new 5 year fixed rate mortgage would result in a New 5 Year Term, \$294,355.00 at a blended and extended rate of 2.53%.	(2.46% * 26) / 60
	1.468%
	<u>+1.066%</u>
	= 2.534%
	rounded to 2 decimal places
	= 2.53%