Policy 2000, Attachment A
"MIRD Calculation Worksheet"

Examples below are for an employee seeking a one-time pro-rated Mortgage Interest Rate Differential (MIRD) reimbursement when the loan has been refinanced within the first year of the home purchase. In these examples, the loan is refinanced after the ninth month from home purchase.

Use this example when the:

Refinanced Loan Interest Rate
Remains Higher Than Old Home Loan Interest Rate

Information Needed:

Balance of loan on the old home – $ 75,000
Balance of loan on the new home – $100,000

Interest rate on the original new home loan – 10.00%
Interest rate on the new refinanced home loan – 8.50%
Interest rate on the old home loan – 8.00%

Calculation:

Step 1: Calculate 9 months based off of difference between interest rate of original new home loan and old home loan interest rate.

Interest rate of original new home loan:	10.00%
Interest rate of old home loan:	- 8.00%
Equal:	**2.00%**

Step 2: $75,000 (lesser balance mortgage)
(increase in interest rate based on difference between
X .02 original new home loan and old home loan)
$ 1,500

Step 3: $1,500 divided by (to get credit per month amount) =
Sub Total: $125.00

Step 4: $125.00 X 9 months = **$1,125.00**

Step 5: Calculate 3 months based off of difference between new refinance home loan interest rate and old home loan.

Interest rate of new refinance home loan:	8.50%
Interest rate of old home loan:	8.00%
Equal	**.50%**

Step 6

$75,000 (lesser balance mortgage)
(increase in interest rate based off of difference
X .005 between new refinance home loan and old home loan)
$ 375

Step 7 $375.00 divided by 12 months =
$ 31.25 per month

Step 8 3 X $31.25 (3 months of credit given) =
Sub Total: $93.75

Sub total from step 4: $1,125.00
Sub total from step 8: $ 93.75

Grand Total of Reimbursable Refinancing Costs: $1,218.75

Use this example when the:

Refinanced Loan Interest Rate
Becomes Lower Than Old Home Loan Interest Rate

Information Needed:

Balance of loan on the old home – $75,000
Balance of loan on the new home – $100,000

Interest rate on the original new home loan – 9.00%
Interest rate on the new refinanced home loan – 7.50%
Interest rate on the old home loan – 8.00%

Calculation:

Step 1: Calculate 9 months based off of difference between interest rate of original new home loan and old home loan interest rate.

Interest rate of original new home loan:	9.00%
Interest rate of old home loan:	8.00%
Equal	**1.00%**

Step 2: 75,000 (lesser balance mortgage)
X .01 (increase in interest rate based off of difference between original new home loan and old home loan)
$ 750

Step 3: $750.00 divided by 12 (to get credit per month amount) =
Sub Total: $62.50

Step 4: $62.50 X 9 months = $562.50

Sub Total: $562.50

Grand Total of Reimbursable Refinancing Costs: $562.50