

# User Manual for the Break-Fee Calculator

## Overview:

This calculator helps you estimate mortgage break fees when considering a fixed-term mortgage break. It offers two calculation modes:

1. **Simple Calculation:** A quick estimate using your original and new interest rates.
2. **Advanced Calculation:** A more detailed estimation based on wholesale rates, payments made, and remaining balance.

## How to Use:

1. **Choose Calculation Type:**
  - Select between "Simple Calculation" or "Advanced Calculation" using the buttons at the top of the page.
  - The form updates based on your choice.
2. **Input the Required Details:**
  - For **Simple Calculation**:
    - Enter the **Loan Amount** in dollars.
    - Provide the **Original Fixed Interest Rate** (e.g., 4.5%).
    - Enter the **New Interest Rate** you're considering.
    - Specify the **Remaining Term** in years.
  - For **Advanced Calculation**:
    - Enter the **Loan Amount** in dollars.
    - Input the **Wholesale Rate at Mortgage Start** (you can find historical rates from the Reserve Bank's link below).
    - Enter the **Current Wholesale Rate** for the remaining term.
    - Provide your **Monthly Installment** amount.
    - State the **Number of Installments Paid** so far.
    - Provide the remaining term, broken into **Years** and **Months**.
3. **Run the Calculation:**
  - Click on the "Calculate Break Fee" button.
  - The estimated break fee will appear in a highlighted results box below the form.

#### 4. Using Wholesale Rates (For Advanced Calculation):

- Visit the Reserve Bank of New Zealand's page for Wholesale Interest Rates.
- Locate the **secondary market government bond yield** for your mortgage's term length (e.g., 1-year, 2-year, or 5-year yield).
- Input the corresponding rates into the "Wholesale Rate at Mortgage Start" and "Current Wholesale Rate" fields.

#### Tips for Accurate Estimates:

- Ensure you use accurate and up-to-date rates for wholesale rates (visit the Reserve Bank's page regularly).
- For monthly installments and installments paid, check your mortgage repayment records for precision.
- Remember, this calculator provides an estimate—it may not reflect all administrative fees or lender-specific adjustments.