

## Balloon Payment Calculator

The Balloon Payment Calculator allows users to compare previously entered data with other financing scenarios.

The calculator only works with fixed interest rates. If a variable interest rate is entered, the calculator treats it as a fixed interest rate.

### Formula

The Balloon Payment Amount is calculated using the following formula:

$$\text{Balloon Payment Amount} = |(CMA - \text{Payment PV}) * (1 + R) ^ nper|$$

- CMA = Contract or Mortgage Amount at Purchase
- R = Interest Rate
- Payment PV = Payment Amount \*  $((1 - (1 + r)^{-\text{Number of Payments}}) / r)$
- Nper = Balloon Payment Year – Sale Date Year  
*Example: Balloon payment future date is 12/03/2024; Sale Date is 03/08/2019=> nper would be 5 years)*
- $r = R / \text{payments per year}$  (for example, if payments are monthly:  $r = R / 12$ ; Quarterly,  $r = R / 4$ )