The Finance department has been working with Rod Schairer at Resource Bank on refinancing the Town's 10-year mortgage from 2011 that was issued for the purchase and renovation of 250 S Halwood St. The note was originally issued with a 20 year amortization schedule and a 10 year term in the principal amount of $655,200 and this has left us with a large final principal payment in December 2020 of roughly $442,500.

The Town does not currently have the financial resources to pay off the note and we find it in the best interest of the Town to refinance the note for another 10 year term with a 10 year amortization schedule which will pay off the balance in full after the 10 year term.

We have received a written a written commitment from Rod Schairer at Resource Bank to refinance the note at the following terms:

Amount:	Not to exceed $442,500.
Interest Rate:	2.98% fixed for 3 years, to reset every 3 years at 65% of the 3 year FHLB rate plus 2.75%, with a floor of 2.98% (Current interest rate on the loan is 5.12%)
Term:	10 Years with semi annual principal and interest payments based on a 10 year Amortization schedule (sample attached). The loan will be paid in full in 10 years.
Collateral:	Retaining the CD we have at resource bank
Loan Fees:	Zero, no loan fees

The current loan payments at the higher interest rate are currently $27,096 every 6 months. Once refinanced our semi-annual payment will be reduced to $25,659 (estimated) which will provide annual cost savings of $2,800.

We would be looking at a closing date sometime in August or September and at that point we will bring all final documents and resolution to the board for final approval.

At this time we are looking for approval or authorization for Resource Bank to proceed with the renewal of the existing loan for another 10 years using the existing town CD as collateral.

Amortization Schedule

Date	Description	Total Payment	P&I Payment	Principal Payment	Interest Payment	Principal Balance
Jun 30, 2020	Beginning Balance					442,000.00
⊞ Dec 31, 2020	Regular Payment	25,659.29	25,659.29	19,130.46	6,528.83	422,869.54
⊞ **2020 Totals**		**25,659.29**	**25,659.29**	**19,130.46**	**6,528.83**	
⊞ Jun 30, 2021	Regular Payment	25,659.29	25,659.29	19,514.88	6,144.41	403,354.66
⊞ Dec 31, 2021	Regular Payment	25,659.29	25,659.29	19,701.30	5,957.99	383,653.36
⊞ **2021 Totals**		**51,318.58**	**51,318.58**	**39,216.18**	**12,102.40**	
⊞ Jun 30, 2022	Regular Payment	25,659.29	25,659.29	20,084.71	5,574.58	363,568.65
⊞ Dec 31, 2022	Regular Payment	25,659.29	25,659.29	20,288.98	5,370.31	343,279.67
⊞ **2022 Totals**		**51,318.58**	**51,318.58**	**40,373.69**	**10,944.89**	
⊞ Jun 30, 2023	Regular Payment	25,659.29	25,659.29	20,671.35	4,987.94	322,608.32
⊞ Dec 31, 2023	Regular Payment	25,659.29	25,659.29	20,894.01	4,765.28	301,714.31
⊞ **2023 Totals**		**51,318.58**	**51,318.58**	**41,565.36**	**9,753.22**	
⊞ Jun 30, 2024	Regular Payment	25,659.29	25,659.29	21,251.08	4,408.21	280,463.23
⊞ Dec 31, 2024	Regular Payment	25,659.29	25,659.29	21,516.54	4,142.75	258,946.69
⊞ **2024 Totals**		**51,318.58**	**51,318.58**	**42,767.62**	**8,550.96**	
⊞ Jun 30, 2025	Regular Payment	25,659.29	25,659.29	21,896.73	3,762.56	237,049.96
⊞ Dec 31, 2025	Regular Payment	25,659.29	25,659.29	22,157.80	3,501.49	214,892.16
⊞ **2025 Totals**		**51,318.58**	**51,318.58**	**44,054.53**	**7,264.05**	
⊞ Jun 30, 2026	Regular Payment	25,659.29	25,659.29	22,536.85	3,122.44	192,355.31
⊞ Dec 31, 2026	Regular Payment	25,659.29	25,659.29	22,817.99	2,841.30	169,537.32
⊞ **2026 Totals**		**51,318.58**	**51,318.58**	**45,354.84**	**5,963.74**	
⊞ Jun 30, 2027	Regular Payment	25,659.29	25,659.29	23,195.87	2,463.42	146,341.45
⊞ Dec 31, 2027	Regular Payment	25,659.29	25,659.29	23,497.67	2,161.62	122,843.78
⊞ **2027 Totals**		**51,318.58**	**51,318.58**	**46,693.54**	**4,625.04**	
⊞ Jun 30, 2028	Regular Payment	25,659.29	25,659.29	23,864.48	1,794.81	98,979.30
⊞ Dec 31, 2028	Regular Payment	25,659.29	25,659.29	24,197.26	1,462.03	74,782.04
⊞ **2028 Totals**		**51,318.58**	**51,318.58**	**48,061.74**	**3,256.84**	
⊞ Jun 30, 2029	Regular Payment	25,659.29	25,659.29	24,572.69	1,086.60	50,209.35
⊞ Dec 31, 2029	Regular Payment	25,659.29	25,659.29	24,917.65	741.64	25,291.70
⊞ **2029 Totals**		**51,318.58**	**51,318.58**	**49,490.34**	**1,828.24**	
⊞ Jun 30, 2030	Regular Payment	25,659.19	25,659.19	25,291.70	367.49	
⊞ **2030 Totals**		**25,659.19**	**25,659.19**	**25,291.70**	**367.49**	
⊞ **Grand Total**		**513,185.70**	**513,185.70**	**442,000.00**	**71,185.70**	