

Interest-Only Term Note

Date of Note:	2020-08-17
Principal Amount of Note:	\$1,000,000.00
Term of Note (in Years):	8
Projected Years to Death:	5
Projected Market Interest Rate at Death:	4.00%
Additional Valuation Discount at Death:	0.00%
Death Tax Rate:	40.00%
<input checked="" type="checkbox"/> Project Borrower's Profit?	
Assumed Investment Yield for Borrower:	2.00%

Calculation Results

Applicable Federal Rate: (Federal Mid-Term Annual Rate)	0.41%	
Annual Interest Payments:	\$4,100.00	
Annuity Factor:	2.775100	
Discounted Value of Interest Payments:		\$11,378
Remainder Factor:	0.888996	
Discounted Value of Principal:		\$888,996
Value of Note after Interest Discount:		\$900,374
Less: Additional Valuation Discount (0.00%):		\$0
Total Value of Note:		\$900,374
Value Reduction from Rate Change:	\$99,626	
Value Reduction from Additional Discount:	\$0	
Total Reduction in Note Value:		\$99,626
Investment Profit Excluded from Estate (see below):	\$82,744	
Total Reduction in Estate Value:		\$182,370
Death Tax(es) Saved:		\$72,948

Borrower's Projected Profit

Years	Total Invested	Income on Investment	Interest Payable	Accumulated Profit
1	\$1,000,000	\$20,000	\$4,100	\$15,900
2	\$1,015,900	\$20,318	\$4,100	\$32,118
3	\$1,032,118	\$20,642	\$4,100	\$48,660
4	\$1,048,660	\$20,973	\$4,100	\$65,534
5	\$1,065,534	\$21,311	\$4,100	\$82,744