

Slide 1

The Consumer Loans include Loans like Mortgage, Seasonal, Revolving, Hire Purchase and Long Term.

The important difference between all of these Loans and Conventional Loans are that all of these Loans are Smart Loans.

Our purpose in this tutorial is to create an understanding of how the functions of a Smart Loan extend those of a Conventional Loan.

**Loan Calculator**

If you specify Annual Int % here, the system will calc Int% per Pmt  
 Int %

Specify the Loan Term in Years to calculate number of Payments  
 Year

In the event that the Calculations on the right are based on a single per annum interest calculation, then the resulting Annual Payment is expressed as a Monthly Payment below ...  
 Payment

[Calc Principal](#)   [Calc Payment](#)   [Amortize](#)   [Calc Interest %](#)   [Calc No of Pmts](#)

Pmt #   Payment   Interest   Principal   Balance  
 001   2,500.00   1,575.77   924.23   188,175.77  
 002   2,500.00   1,568.06   931.94   187,243.83  
 003   2,500.00   1,560.30   939.70   186,304.13  
 004   2,500.00   1,552.47   947.53   185,356.60  
 005   2,500.00   1,544.57   955.43   184,401.17  
 006   2,500.00   1,536.61   963.39   183,437.78  
 007   2,500.00   1,528.58   971.42   182,466.36  
 008   2,500.00   1,520.49   979.51   181,486.85  
 009   2,500.00   1,512.33   987.68   180,489.17  
 010   2,500.00   1,504.09   995.91   179,503.26  
 011   2,500.00   1,495.80   1,004.20   178,499.06  
 012   2,500.00   1,487.43   1,012.57   177,486.49  
 013   2,500.00   1,478.99   1,021.01   176,465.48  
 014   2,500.00   1,470.48   1,029.52   175,435.96  
 015   2,500.00   1,461.90   1,038.10   174,397.86  
 016   2,500.00   1,453.25   1,046.75   173,351.11  
 017   2,500.00   1,444.53   1,055.47   172,295.64  
 018   2,500.00   1,435.73   1,064.27   171,231.37  
 019   2,500.00   1,426.87   1,073.13   170,158.24  
 020   2,500.00   1,417.92   1,082.08   169,076.16  
 021   2,500.00   1,408.91   1,091.09   167,985.07

Slide 2

So here we are looking at an example of a Loan Calculation.

So we have a Principal amount here of 189,100 and we have an Installment of 2,500 and this Loan runs over a Period of 10 Years

What we want to note here is that with each Payment we can see the portion of the Payment that represents Interest and we can see the portion that represents Principal. Then we can see what the remaining Balance will be in each case.

As the Loan progresses over the payment period, we can see that with each installment the Interest Portion is reducing and the Principal Portion is increasing.

So eventually we get to a stage where the Loan is fully paid off.

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Help Submit Quit Functions Comments

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### Loan Calculator

If you specify Annual for 5 years, the system will calc Int% per Pmt  
 Int %

Specify the Loan Term in Years to calculate number of Payments  
 Year

In the event that the Calculations on the right are based on a single per annum interest calculation, then the resulting Annual Payment is expressed as a Monthly Payment below ...  
 Payment

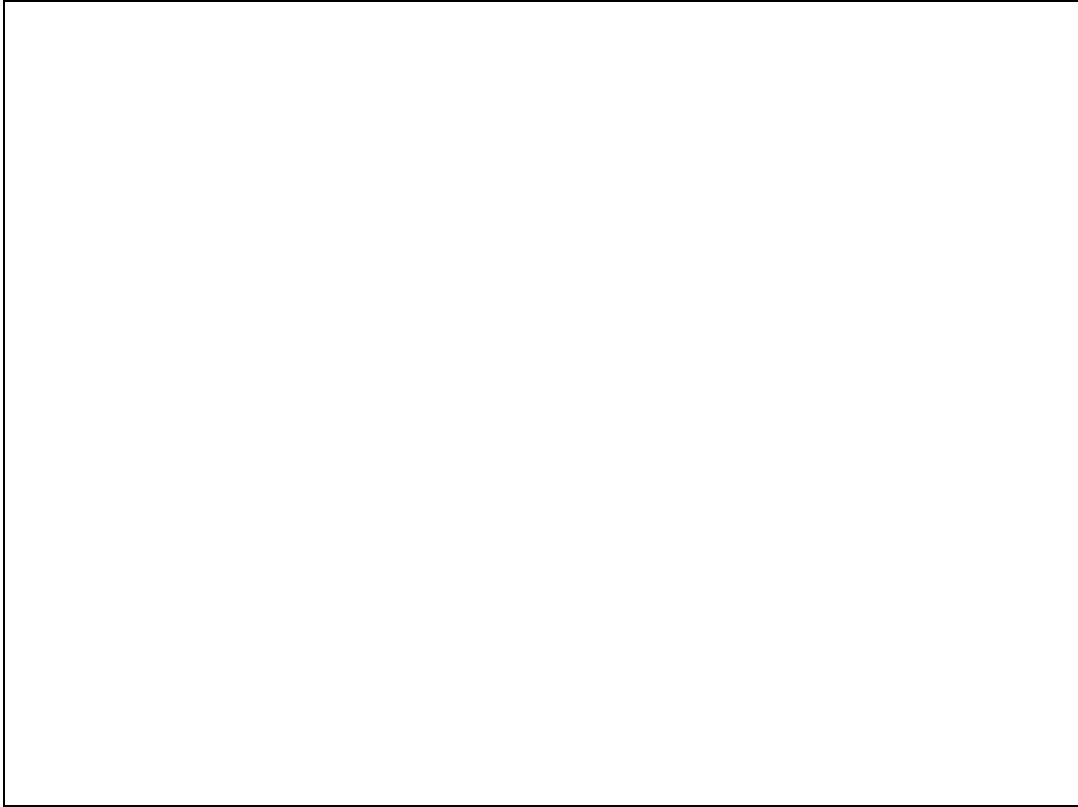
[Calc Principal](#)    [Calc Payment](#)    [Amortize](#)    [Calc Interest %](#)    [Calc No of Pmts](#)

Pmt #        Interest % Per Payment

Pmt #        Rate of Payments

Pmt #	Payment	Interest	Principal	Balance
001	2,500.00	1,575.77	924.23	189,175.77
002	2,500.00	1,568.06	931.94	187,243.83
003	2,500.00	1,560.30	939.70	185,304.13
004	2,500.00	1,552.47	947.53	183,356.60
005	2,500.00	1,544.57	955.43	181,401.17
006	2,500.00	1,536.61	963.39	179,437.78
007	2,500.00	1,528.58	971.42	177,466.36
008	2,500.00	1,520.49	979.51	175,486.85
009	2,500.00	1,512.33	987.68	173,499.17
010	2,500.00	1,504.09	995.91	171,503.26
011	2,500.00	1,495.80	1,004.20	169,499.06
012	2,500.00	1,487.43	1,012.57	167,486.49
013	2,500.00	1,478.99	1,021.01	165,465.48
014	2,500.00	1,470.48	1,029.52	163,435.96
015	2,500.00	1,461.90	1,038.10	161,397.86
016	2,500.00	1,453.25	1,046.75	159,351.11
017	2,500.00	1,444.53	1,055.47	157,295.64
018	2,500.00	1,435.73	1,064.27	155,231.37
019	2,500.00	1,426.87	1,073.13	153,158.24
020	2,500.00	1,417.92	1,082.08	151,076.16
021	2,500.00	1,408.91	1,091.09	148,985.07

Slide 3



Slide 4

IES Navigator Client v8.04 : My IES : [mode=Z]

Help Submit Quit Functions Comments

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### Loan Calculator

If you specify Annual for 5 years, the system will calc Int% per Pmt  
 Int %

Specify the Loan Term in Years to calculate number of Payments  
 Years

In the event that the Calculations on the right are based on a single per annum interest calculation, then the resulting Annual Payment is expressed as a Monthly Payment below ...  
 Payment

[Calc Principal](#)   [Calc Payment](#)   [Amortize](#)   [Calc Interest %](#)   [Calc No of Pmts](#)

Pmt #      Interest % Per Payment   
 Pmt #      Number of Payments

Pmt #	Payment	Interest	Principal	Balance
100	2,500.00	398.27	2,101.73	45,695.54
101	2,500.00	380.76	2,119.24	43,574.30
102	2,500.00	363.20	2,136.80	41,437.50
103	2,500.00	345.29	2,154.71	39,282.69
104	2,500.00	327.34	2,172.66	37,110.03
105	2,500.00	309.23	2,190.77	34,919.26
106	2,500.00	290.98	2,209.02	32,710.24
107	2,500.00	272.57	2,227.43	30,482.81
108	2,500.00	254.01	2,245.99	28,236.82
109	2,500.00	235.29	2,264.71	25,972.11
110	2,500.00	216.42	2,283.58	23,688.53
111	2,500.00	197.39	2,302.61	21,385.92
112	2,500.00	178.20	2,321.80	19,064.12
113	2,500.00	158.86	2,341.14	16,722.98
114	2,500.00	139.35	2,360.65	14,362.33
115	2,500.00	119.68	2,380.32	11,982.01
116	2,500.00	99.84	2,400.16	9,581.85
117	2,500.00	79.84	2,420.16	7,161.69
118	2,500.00	59.67	2,440.33	4,721.36
119	2,500.00	39.34	2,460.66	2,260.70
120	2,279.53	18.83	2,260.70	0.00

Slide 5

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Help Submit Quit Functions Comments

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### Loan Calculator

If you specify Annual for 5 years, the system will calc Int% per Pmt  
 Int %

Specify the Loan Term in Years to calculate number of Payments  
 Years

In the event that the Calculations on the right are based on a single per annum interest calculation, then the resulting Annual Payment is expressed as a Monthly Payment below ...  
 Payment

[Calc Principal](#)   [Calc Payment](#)   [Amortize](#)   [Calc Interest %](#)   [Calc No of Pmts](#)

Pmt #      Interest % Per Payment   
 Pmt #      Number of Payments

Pmt #	Payment	Interest	Principal	Balance
100	2,500.00	398.27	2,101.73	45,695.54
101	2,500.00	380.76	2,119.24	43,574.30
102	2,500.00	363.20	2,136.80	41,437.50
103	2,500.00	345.29	2,154.71	39,282.79
104	2,500.00	327.34	2,172.66	37,110.13
105	2,500.00	309.23	2,190.77	34,919.36
106	2,500.00	290.98	2,209.02	32,710.34
107	2,500.00	272.57	2,227.43	30,482.91
108	2,500.00	254.01	2,245.99	28,236.92
109	2,500.00	235.29	2,264.71	25,972.21
110	2,500.00	216.42	2,283.58	23,688.63
111	2,500.00	197.39	2,302.61	21,386.02
112	2,500.00	178.20	2,321.80	19,064.22
113	2,500.00	158.86	2,341.14	16,722.98
114	2,500.00	139.35	2,360.65	14,362.33
115	2,500.00	119.68	2,380.32	11,982.01
116	2,500.00	99.84	2,400.16	9,581.85
117	2,500.00	79.84	2,420.16	7,161.69
118	2,500.00	59.67	2,440.33	4,721.36
119	2,500.00	39.34	2,460.66	2,260.70
120	2,279.53	18.83	2,260.70	0.00

Slide 6

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<u>Conventional Loan</u>										
3														
4				Loan Amount		20,000.00		Balance						
5								20,000.00						
6														
7														
8														
9														
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11														
12														
13														
14				<u>Smart Loan</u>										
15								Capital Balance		Current Balance		Loan Balance		
16				Loan Amount		20,000.00		20,000.00		0.00		20,000.00		
17														
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Slide 7

Now we are going to use a Spread Sheet to show how we can represent the different Transactions that take place during the lifetime of a Loan and comparing between the Conventional Loan and the Smart Loan.

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3														
4				Loan Amount		20,000.00		Balance						
5								20,000.00						
6														
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11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance		Current Balance		Loan Balance		
16				Loan Amount		20,000.00		20,000.00		0.00		20,000.00		
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Slide 8

In a Conventional Loan, once we have granted the loan amount and it has been drawn down, then the Balance for the Loan will be 20,000, in this particular example.

When we look at the Smart Loan, we see the same. 20,000 being drawn down. But now we show a Capital Balance of 20,000. A Current Balance of Zero and a Loan Balance of 20,000.



The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<u>Conventional Loan</u>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5														
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13														
14				<u>Smart Loan</u>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
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Slide 9

So in the case of a Smart Loan we have 3 columns. The last column, which is the Loan Balance, is the same as that of a Conventional Loan. But in addition we always have a View of the Capital Balance part of the Loan Account. We also have the Current Balance part of the Loan Account.

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3														
4				Loan Amount		20,000.00		Balance						
5								20,000.00						
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13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
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Slide 10

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
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14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
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Slide 11

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3														
4				Loan Amount		20,000.00		Balance						
5								20,000.00						
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13														
14				<b>Smart Loan</b>										
15								Capital Balance		Current Balance		Loan Balance		
16				Loan Amount		20,000.00		20,000.00		0.00		20,000.00		
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Slide 12

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5														
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13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
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Slide 13

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3														
4				Loan Amount		20,000.00		Balance						
5								20,000.00						
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12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance		Current Balance		Loan Balance		
16				Loan Amount		20,000.00		20,000.00		0.00		20,000.00		
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Slide 14

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
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12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
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Slide 15

Next we show the first Interest Transaction where Interest is being charged against the Loan and as we look at the Conventional Loan, there is Interest of 175.00 being charged.

This then results in a Loan Balance now of 20,175.

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
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13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
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19														
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Slide 16



The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
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12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
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Slide 17

The screenshot shows a Microsoft Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 2-5) shows a loan amount of 20,000.00 and an interest of 175.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 14-17) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and a loan balance of 20,175.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6														
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12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
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Slide 18

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6													
7													
8													
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18													
19													
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Slide 19

Now the Smart Loan is exactly the same except that the Interest goes directly to Capital. So the Capital increases to 20,175. But the current Account, the Current Balance, remains at Zero. The Loan Balance, which we compare with the Conventional Loan, of course is also 20,175.

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6														
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18														
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Slide 20

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6														
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18														
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Slide 21

The screenshot shows a Microsoft Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 2-6) shows a loan amount of 20,000.00 and an interest of 175.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 14-18) shows the same loan amount and interest, but with a 'Current Balance' of 0.00, resulting in a 'Loan Balance' of 20,175.00. The 'Capital Balance' for the Smart Loan is also 20,000.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3														
4				Loan Amount		20,000.00		Balance		20,000.00				
5				Interest		175.00				20,175.00				
6														
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance		Current Balance		Loan Balance		
16				Loan Amount		20,000.00		20,000.00		0.00		20,000.00		
17				Interest		175.00		20,175.00		0.00		20,175.00		
18														
19														
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Slide 22

The screenshot shows a Microsoft Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 2-5) shows a loan amount of 20,000.00 and an interest of 175.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 14-17) shows a loan amount of 20,000.00 and an interest of 175.00, but also includes 'Capital Balance' (20,000.00), 'Current Balance' (0.00), and 'Loan Balance' (20,175.00). The spreadsheet interface includes a menu bar, toolbar, and status bar.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6														
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18														
19														
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Slide 23

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7													
8													
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19													
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Slide 24

The next transaction we look at is an Installment that is due. In a Conventional Loan, this is not a transaction that is shown at all, as we can see.

Although an Installment is due per the Loan Agreement, the balance remains the same, \$20,175. In fact there is no transaction on this Loan.

When we look at the Smart Loan, we see something different.



The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
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Slide 25

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
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Slide 26

The screenshot shows a Microsoft Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 2-6) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 15-19) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and a loan balance of 20,000.00, with an installment due of 360.00 and a total balance of 20,175.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
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Slide 27

Conventional Loan		Balance		
Loan Amount	20,000.00		20,000.00	
Interest	175.00		20,175.00	
Installment Due	360.00		20,175.00	
Smart Loan		Capital Balance	Current Balance	Loan Balance
Loan Amount	20,000.00	20,000.00	0.00	20,000.00
Interest	175.00	20,175.00	0.00	20,175.00
Installment Due	360.00	19,825.00	360.00	20,175.00

Slide 28

In the case of a Smart Loan the Installment of 350 that is due, is taken out of Capital and transferred to Current Balance because this is actually like a Current Balance that is due and should be paid.

So the Capital is credited with the Installment and the Current/Arrears Portion of the Loan is charged or debited with this Installment.

The Net effect on the overall Loan Balance is of course exactly the same as with the Conventional Loan.

The screenshot shows an Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 2-6) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00, resulting in a balance of 20,175.00. The 'Smart Loan' section (rows 15-18) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and a loan balance of 20,000.00. The installment due for the smart loan is 360.00, resulting in a capital balance of 19,805.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7														
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,805.00	360.00	20,175.00				
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Slide 29

The screenshot shows an Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 2-6) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 15-19) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and a loan balance of 20,175.00. The installment due for the smart loan is 360.00, which is highlighted with a black border.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
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13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,805.00	360.00	20,175.00				
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Slide 30

The screenshot shows an Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 2-6) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00, resulting in a total balance of 20,175.00. The 'Smart Loan' section (rows 15-18) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and an installment due of 360.00, resulting in a loan balance of 20,175.00. The 'Smart Loan' installment due is highlighted with a red border.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7													
8													
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,805.00	360.00	20,175.00			
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Slide 31

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7				Installment Received		-360.00		19,825.00					
8													
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19				Installment Received		-360.00		19,825.00	0.00	19,825.00			
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Slide 32

So when the Loanee actually pays the Installment on the conventional loan, we can see a Credit amount of 350.00 and this reduces the overall Loan Balance in this case to 19,825.00.

Now let us take a look at what happens on the Smart Loan.



The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20														
21														
22														
23														
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Slide 33

The screenshot shows a Microsoft Excel spreadsheet with the following data:

Row	Column	Conventional Loan	Smart Loan	Capital Balance	Current Balance	Loan Balance
2	D	<b>Conventional Loan</b>				
4	D	Loan Amount	20,000.00	20,000.00	0.00	20,000.00
5	D	Interest	175.00	20,175.00	0.00	20,175.00
6	D	Installment Due	360.00	19,825.00	360.00	20,175.00
7	D	Installment Received	-360.00	19,825.00	0.00	19,825.00
14	D	<b>Smart Loan</b>				
16	D	Loan Amount	20,000.00	20,000.00	0.00	20,000.00
17	D	Interest	175.00	20,175.00	0.00	20,175.00
18	D	Installment Due	360.00	19,825.00	360.00	20,175.00
19	D	Installment Received	-360.00	19,825.00	0.00	19,825.00

Slide 34

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
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Slide 35

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7				Installment Received		-360.00		19,825.00					
8													
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19				Installment Received		-360.00		19,825.00	0.00	19,825.00			
20													
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Slide 36

On the Smart Loan the Capital remains unaffected because the Capital has already previously been reduced by this Installment. But the Installment received is actually Credited to the Current portion of the Loan.

In other words, if the Installment is not received, then we can clearly see an overdue Balance of 350.00. When it is paid, then of course the current Balance in this case now is zero.

Then the total Loan Balance of 19,825.00 is exactly the same as in the Conventional Loan.

So we are beginning to see here that we just have better management and better information, but the Net effect on the total Loan Balance is still the same.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8														
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12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20														
21														
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Slide 37

The screenshot shows a Microsoft Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 2-7) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00, resulting in a balance of 19,825.00 after an installment received. The 'Smart Loan' section (rows 15-19) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and a loan balance of 20,175.00 after an installment due of 360.00. The installment received for the Smart Loan is 19,825.00, which is highlighted with a black border.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8														
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
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Slide 38

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7				Installment Received		-360.00		19,825.00					
8													
9													
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11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19				Installment Received		-360.00		19,825.00	0.00	19,825.00			
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Slide 39

The screenshot shows an Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 2-7) shows a loan amount of 20,000.00, interest of 175.00, installment due of 360.00, and installment received of -360.00, resulting in a balance of 19,825.00. The 'Smart Loan' section (rows 15-19) shows the same loan amount and interest, but with a capital balance of 20,000.00, current balance of 0.00, and loan balance of 20,175.00. The installment due is 360.00 and installment received is -360.00, resulting in a final balance of 19,825.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>									
3								Balance					
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7				Installment Received		-360.00		19,825.00					
8													
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11													
12													
13													
14				<b>Smart Loan</b>									
15								Capital Balance	Current Balance	Loan Balance			
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19				Installment Received		-360.00		19,825.00	0.00	19,825.00			
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Slide 40



The screenshot shows a Microsoft Excel spreadsheet with two tables. The first table, 'Conventional Loan', is located in rows 4-9 and tracks loan amounts, interest, installments, and an admin fee. The second table, 'Smart Loan', is located in rows 15-20 and tracks the same loan details but also includes columns for 'Capital Balance', 'Current Balance', and 'Loan Balance'.

Conventional Loan				Balance
Loan Amount	20,000.00			20,000.00
Interest	175.00			20,175.00
Installment Due	360.00			20,175.00
Installment Received	-360.00			19,825.00
Admin Fee	25.00			19,850.00

Smart Loan				Capital Balance	Current Balance	Loan Balance
Loan Amount	20,000.00			20,000.00	0.00	20,000.00
Interest	175.00			20,175.00	0.00	20,175.00
Installment Due	360.00			19,825.00	360.00	20,175.00
Installment Received	-360.00			19,825.00	0.00	19,825.00
Admin Fee	25.00			19,850.00	0.00	19,850.00

Slide 41

The next transaction example that we are looking at here, is an Admin Fee, which on the Conventional Loan is being charged as 25.00 and of course the Loan Balance is affected by this and the amount owing is now 19,850.00.

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8				Admin Fee		25.00		19,860.00						
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20				Admin Fee		25.00		19,860.00	0.00	19,860.00				
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Slide 42

The screenshot shows a Microsoft Excel spreadsheet with two tables. The first table, 'Conventional Loan', is located in rows 2-8. The second table, 'Smart Loan', is located in rows 14-20. The 'Smart Loan' table includes an additional column for 'Current Balance'.

	D	E	F	G	H	I	J	K	L	M
2	<b>Conventional Loan</b>									
3					Balance					
4	Loan Amount		20,000.00		20,000.00					
5	Interest		175.00		20,175.00					
6	Installment Due		360.00		20,175.00					
7	Installment Received		-360.00		19,825.00					
8	Admin Fee		25.00		19,860.00					
14	<b>Smart Loan</b>									
15					Capital Balance	Current Balance	Loan Balance			
16	Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17	Interest		175.00		20,175.00	0.00	20,175.00			
18	Installment Due		360.00		19,825.00	360.00	20,175.00			
19	Installment Received		-360.00		19,825.00	0.00	19,825.00			
20	Admin Fee		25.00		19,860.00	0.00	19,860.00			

Slide 43

The screenshot shows a Microsoft Excel spreadsheet with two tables. The first table, 'Conventional Loan', is located in rows 4-8 and compares loan amounts, interest, installments due, and received, resulting in a balance of 19,860.00. The second table, 'Smart Loan', is located in rows 15-20 and compares the same metrics but includes 'Capital Balance', 'Current Balance', and 'Loan Balance' columns, showing a 'Current Balance' of 0.00.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8				Admin Fee		25.00		19,860.00						
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20				Admin Fee		25.00		19,860.00	0.00	19,860.00				
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Slide 44

The screenshot shows a Microsoft Excel spreadsheet with two tables. The first table, 'Conventional Loan', is located in rows 4-9. The second table, 'Smart Loan', is located in rows 15-20. The 'Smart Loan' table includes columns for Capital Balance, Current Balance, and Loan Balance.

Conventional Loan			
			Balance
Loan Amount	20,000.00		20,000.00
Interest	175.00		20,175.00
Installment Due	360.00		20,175.00
Installment Received	-360.00		19,825.00
Admin Fee	25.00		19,860.00

Smart Loan				
		Capital Balance	Current Balance	Loan Balance
Loan Amount	20,000.00	20,000.00	0.00	20,000.00
Interest	175.00	20,175.00	0.00	20,175.00
Installment Due	360.00	19,825.00	360.00	20,175.00
Installment Received	-360.00	19,825.00	0.00	19,825.00
Admin Fee	25.00	19,860.00	0.00	19,860.00

Slide 45

When we look at the Smart Loan, we will see that the norm is usually for other charges, other than Installments, to be charged automatically to the Capital Balance.

So the Capital Balance in this case increases to 19,850.00, which is also the overall Loan Balance, whereas the current Account is unaffected by this.

It is so that when we perform Transactions, both Receipts and Charges, we can designate a specific portion of the Loan to be affected by this, but usually the Charges will be going to Capital. The Installment will go to the Current / Arrears and of course both portions of the Loan can attract interest.

The screenshot shows a Microsoft Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 2-9) compares loan terms with columns for Loan Amount, Interest, Installment Due, Installment Received, and Admin Fee. The 'Smart Loan' section (rows 14-20) includes an additional 'Capital Balance' column and compares 'Current Balance' and 'Loan Balance' against the same loan terms. The 'Admin Fee' cell in the Smart Loan section (row 20, column F) is highlighted with a black border.

	D	E	F	G	H	I	J	K	L	M	
2	<b>Conventional Loan</b>										
3						Balance					
4	Loan Amount		20,000.00		20,000.00						
5	Interest		175.00		20,175.00						
6	Installment Due		360.00		20,175.00						
7	Installment Received		-360.00		19,825.00						
8	Admin Fee		25.00		19,860.00						
9											
10											
11											
12											
13											
14	<b>Smart Loan</b>										
15						Capital Balance	Current Balance	Loan Balance			
16	Loan Amount		20,000.00		20,000.00	0.00	0.00	20,000.00			
17	Interest		175.00		20,175.00	0.00	0.00	20,175.00			
18	Installment Due		360.00		19,825.00	360.00	360.00	20,175.00			
19	Installment Received		-360.00		19,825.00	0.00	0.00	19,825.00			
20	Admin Fee		25.00		19,860.00	0.00	0.00	19,860.00			

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	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2				<b>Conventional Loan</b>				Balance					
3													
4				Loan Amount		20,000.00		20,000.00					
5				Interest		175.00		20,175.00					
6				Installment Due		360.00		20,175.00					
7				Installment Received		-360.00		19,825.00					
8				Admin Fee		25.00		19,860.00					
9													
10													
11													
12													
13													
14				<b>Smart Loan</b>				Capital Balance	Current Balance	Loan Balance			
15													
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00			
17				Interest		175.00		20,175.00	0.00	20,175.00			
18				Installment Due		360.00		19,825.00	360.00	20,175.00			
19				Installment Received		-360.00		19,825.00	0.00	19,825.00			
20				Admin Fee		25.00		19,860.00	0.00	19,860.00			
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Slide 47

So we can say that the understanding that we wish to create here is that the Smart Loan does everything that the Conventional Loan does.

In addition it also has more views, i.e. a split view of that overall Loan, into the Capital portion and also the Current/Arrears portion. In each of these two portions of the Loan, we have the possibility of Debit balances and also the possibility of Credit balances i.e. advanced Payments and therefore on the Smart Loan, we have four Interest Indicators rather than one, as in the case of the Conventional loan.

In the case of the Smart Loan, we can choose to charge different Interest Rates on the Capital and on the Arrears, the Current part of the Loan and also we can give Credit Interest for Advance Payments on the Capital Portion and also on the Current/Arrears portion of the Loan if we want to.

The screenshot shows a Microsoft Excel spreadsheet with two sections: 'Conventional Loan' and 'Smart Loan'. The 'Conventional Loan' section (rows 4-9) lists Loan Amount (20,000.00), Interest (175.00), Installment Due (360.00), Installment Received (-360.00), and Admin Fee (25.00). The 'Smart Loan' section (rows 15-20) lists the same items but includes additional columns for Capital Balance, Current Balance, and Loan Balance. The Current Balance for the Smart Loan is highlighted as 0.00.

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8				Admin Fee		25.00		19,860.00						
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10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20				Admin Fee		25.00		19,860.00	0.00	19,860.00				
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Slide 48



The screenshot shows a Microsoft Excel spreadsheet with two loan scenarios. The 'Conventional Loan' section (rows 4-9) shows a loan amount of 20,000.00, interest of 175.00, and an installment due of 360.00. The 'Smart Loan' section (rows 15-20) shows the same loan amount and interest, but with a capital balance of 20,000.00, a current balance of 0.00, and an installment due of 360.00. The final balance for the Smart Loan is 19,660.00, which is highlighted in a red box.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2				<b>Conventional Loan</b>										
3								Balance						
4				Loan Amount		20,000.00		20,000.00						
5				Interest		175.00		20,175.00						
6				Installment Due		360.00		20,175.00						
7				Installment Received		-360.00		19,825.00						
8				Admin Fee		25.00		19,860.00						
9														
10														
11														
12														
13														
14				<b>Smart Loan</b>										
15								Capital Balance	Current Balance	Loan Balance				
16				Loan Amount		20,000.00		20,000.00	0.00	20,000.00				
17				Interest		175.00		20,175.00	0.00	20,175.00				
18				Installment Due		360.00		19,825.00	360.00	20,175.00				
19				Installment Received		-360.00		19,825.00	0.00	19,825.00				
20				Admin Fee		25.00		19,860.00	0.00	19,660.00				
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Slide 49