

Slide 1

We are looking at the Loan Calculator. The Loan Calculator can be used to determine how much somebody can actually borrow or what should the Payment be over a specified Term and Interest Rate for a selected Principal Amount, etc.

Slide 2

The Loan Calculator uses 4 values: Principal, Payment or Installment, Interest per Payment or per Annum and number of Payments.

When any 3 of these values are specified, then the System will Calculate the remaining one. In other words, if we specify a certain Amount that is going to be borrowed and we specify a certain amount that is going to be borrowed and we specify the Term for instance, the Years and the Annual Interest percentage, then the System will calculate the Payment. Then we can also use the Amortize Function to see how this loan will Reduce over the Period until the Final Payment is done in the last Payment Period.



Slide 3

So I will do an example now where money is going to be borrowed at an annual Interest Percentage of 16.



Slide 4

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Help Submit Quit Functions Comments

Loan Calculator

If you specify Annual Int % here, the system will calc Int% per Pmt
 Ann 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](#)

Principle	5,000.00	months % Per Payment	1
Payment	50.00	Number of Payments	120

Pmt #	Payment	Interest	Principal	Balance
1				
2				
3				
4				
5				
6				
7				
8				
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60				

Slide 5

The Repayment Term in this case will be 5 years, which the System will then translate into 60 Monthly Payments.



Slide 6



Slide 7

And the Principal or Amount in this case, that will be borrowed, is \$40,000.

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Help Submit Quit Functions Commands

Loan Calculator

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

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

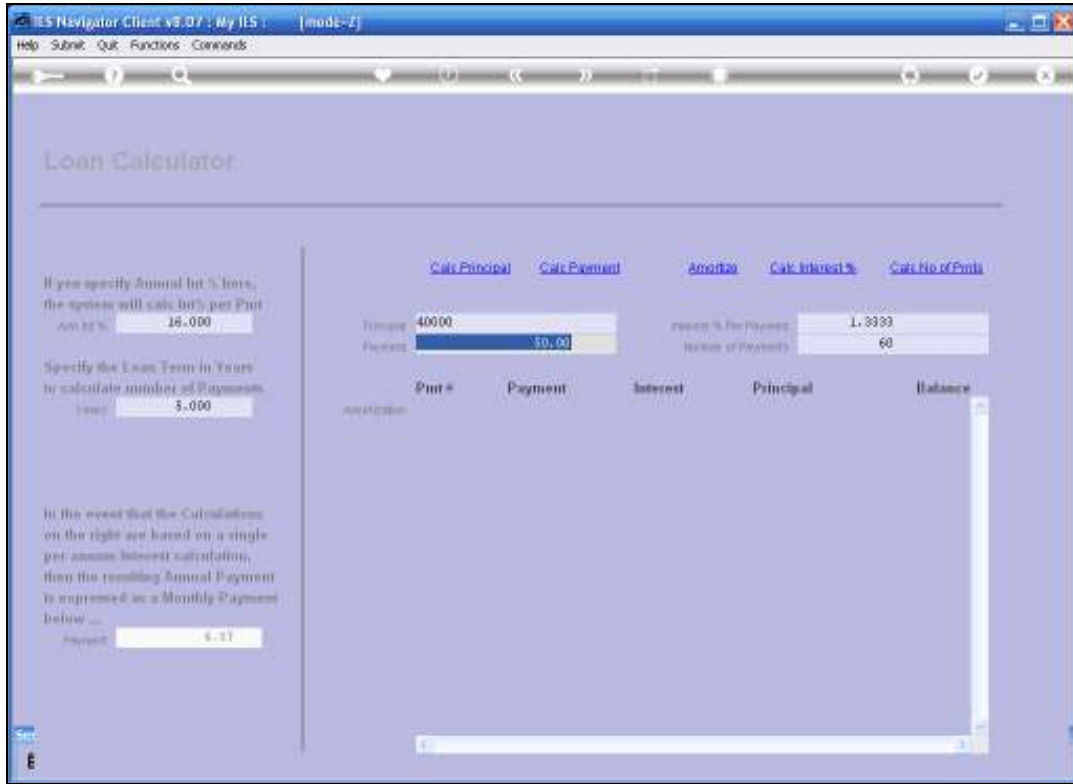
Principal Interest % Per Payment
 Payment Number of Payments

Pmt #	Payment	Interest	Principal	Balance
1				

Slide 8

The remaining answer that I need in this example having specified the other 3 is how much the Monthly Installment or Payment will be.

So I use the Function "Calculate Payment."



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Loan Calculator

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

Ann. 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 ...

Interest Rate

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

Principal Interest % Per Payment

Payment Number of Payments

Pmt #	Payment	Interest	Principal	Balance

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The answer comes up as \$976.13.

I will now use the Amortize Function because I want to see how this Loan will reduce over the Payment Period until the Final Installment will be shown in Payment Period number 60.

IES Navigator Client v8.07 : My IES [mode-Z]

Help Submit Quit Functions Commands

Loan Calculator

If you specify Annual Int % here, the system will calc Int's per Post Ann Int %

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

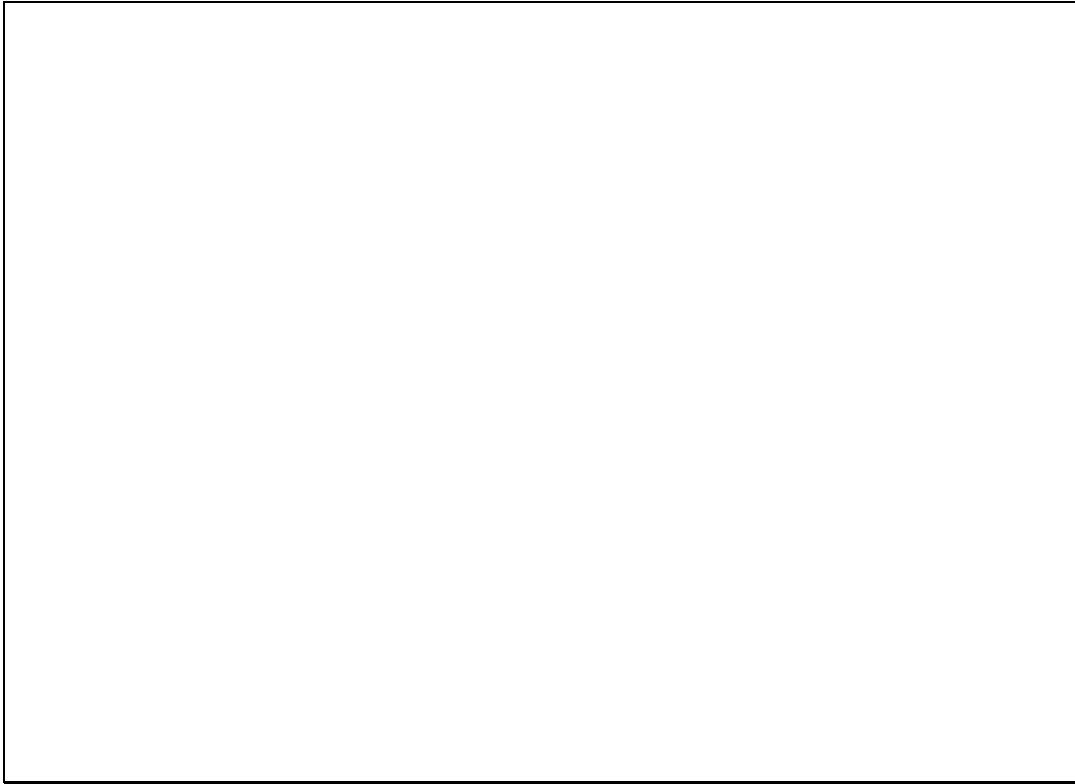
In the event that the Calculations on the right are based on a single per annum interest calculation, then the resulting Annual Payment is expressed as a Monthly Payment below ...

Principal
 Interest % Per Payment

Payment
 Number of Payments

Post #	Payment	Interest	Principal	Balance
001	976.13	533.33	442.81	39,557.19
002	976.13	527.41	448.72	39,108.47
003	976.13	521.43	454.70	38,653.77
004	976.13	515.37	460.76	38,193.01
005	976.13	509.22	466.91	37,726.10
006	976.13	503.00	473.13	37,252.97
007	976.13	496.69	479.44	36,773.53
008	976.13	490.30	485.83	36,287.70
009	976.13	483.82	492.31	35,795.39
010	976.13	477.25	498.88	35,296.51
011	976.13	470.60	505.53	34,790.98
012	976.13	463.88	512.27	34,278.71
013	976.13	457.07	519.10	33,759.61
014	976.13	450.11	526.02	33,233.59
015	976.13	443.10	533.03	32,700.56
016	976.13	435.99	540.14	32,160.42
017	976.13	428.79	547.34	31,613.08
018	976.13	421.49	554.64	31,058.44
019	976.13	414.10	562.03	30,496.41
020	976.13	406.60	569.53	29,926.88
021	976.13	399.01	577.12	29,348.76

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Help Submit Quit Functions Commands

Loan Calculator

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

Ann 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](#)

Principle Interest % Per Payment
 Payment Number of Payments

Month	Pmt #	Payment	Interest	Principal	Balance
040	040	976.13	839.87	742.26	16,796.61
041	041	976.13	225.97	752.16	16,046.45
042	042	976.13	213.94	762.19	15,284.26
043	043	976.13	203.78	772.35	14,511.91
044	044	976.13	195.48	782.65	13,729.26
045	045	976.13	188.05	793.08	12,936.18
046	046	976.13	172.47	803.66	12,132.52
047	047	976.13	161.70	814.37	11,318.15
048	048	976.13	150.90	825.23	10,492.92
049	049	976.13	139.90	836.23	9,656.69
050	050	976.13	128.75	847.38	8,809.31
051	051	976.13	117.45	858.68	7,950.63
052	052	976.13	106.00	870.13	7,080.50
053	053	976.13	94.40	881.73	6,198.77
054	054	976.13	82.64	893.49	5,305.28
055	055	976.13	70.73	905.40	4,399.88
056	056	976.13	58.66	917.47	3,482.41
057	057	976.13	46.43	929.70	2,552.71
058	058	976.13	34.03	942.10	1,610.61
059	059	976.13	21.47	954.66	655.95
060	060	664.69	6.74	655.95	0.00

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So the Loan Calculator can be used to find the 4th answer when we specify any of the 3 of the 4 Elements that make up a formula for Loan Calculation.