

Unit Nine - HOW DO I CALCULATE NEGATIVE AMORTIZATION?

Data: 1st Trust Deed \$100,000
 Interest Rate 9% first year, 10% thereafter
 Term 30 years

Question: What will the loan balance be at the end of the first year?

Description	Keystrokes	Display
Enter Loan Amount	1 0 0 000 <small>Loan Amt</small>	100,000.00 LA
Enter Term	3 0 <small>Term</small>	30.00 ANN TERM
Enter First year Interest	9 <small>Int</small>	9.00 ANN INT
Solver for payment	Pmt	P+I 804.62 PMT
Enter contract Interest rate	1 0 <small>Int</small>	10.00 ANN INT
Change the term	1 <small>Term</small>	1.00 ANN TERM
Find the loan balance or negative amortization	Shift <small>Loan Amt</small>	100,360.77 FV

Unit Ten – HOW DO I CALCULATED BLENDED INTEREST RATES?

Data: 1st Trust Deed \$100,000
 Interest Rate 10% first year
 2nd Trust Deed \$25,000,
 Interest Rate 12% thereafter
 Term of each loan 30 years

Description	Keystrokes	Display
Clear Calculator	Shift X	0.00
Enter Loan Amount	1 0 0 000 <small>Loan Amt</small>	100,000.00 LA
Enter Term	3 0 <small>Term</small>	30.00 ANN TERM
Enter Interest	1 0 <small>Int</small>	10.00 ANN INT
Solve for payment	Pmt	P+I 877.57 PMT
Save to memory	M+	M 877.57
Enter 2 nd Loan Amount	2 5 000 <small>Loan Amt</small>	25,000.00 LA
Enter Interest rate	1 2 <small>Int</small>	12.00 ANN INT
Solve for payment	Pmt	P+I 257.15 PMT
Save to memory	M+	M 257.15
Recall total payment values	Rcl M+	M 1,134.72
Enter as new payment	= Pmt	P+I 1,134.72 PMT
Enter Loan Amount	1 2 5 000 <small>Loan Amt</small>	125,000.00 LA
Solve for blended Interest	Int run	10.41 ANN INT %

Unit Eleven – HOW DO I CALCULATED THE COST OF A TEMPORARY BUY-DOWN LOAN?

Data: 1st Trust Deed \$100,000
 Interest Rate 7% five year, 10% thereafter
 Term 30 years

Description	Keystrokes	Display
Clear Calculator	Shift X	0.00
Enter Loan Amount	1 0 0 000 <small>Loan Amt</small>	100,000.00 LA
Enter Term	3 0 <small>Term</small>	30.00 ANN TERM
Enter First year Interest	1 0 <small>Int</small>	10.00 ANN INT
Solve for payment	Pmt	P+I 877.57 PMT
Save to memory	M+	M 877.57
Find balance after 5 years	5 Shift Amort	BAL 96,574.32
Enter buy down Interest rate	7 <small>Int</small>	7.00 ANN INT
Solve for payment	Pmt	P+I 665.30 PMT
Recall memory	Rcl M+	M 877.57
Find monthly difference in payments	= Pmt =	M 212.27
Find buy down amount for each year	X 1 2 =	2,547.23
Solve for 5 year buy-down amount	X 5 =	12,736.14

OR (Cont)

FUTURE VALUE vs PRESENT VALUE

Data: 1st Trust Deed \$100,000
 Interest Rate 7% five year, 10% thereafter
 Term 30 years

<u>Description</u>	<u>Keystrokes</u>	<u>Display</u>
Clear Calculator	Shift X	0.00
Enter Loan Amount	1 0 0 000 Loan Ami	100,000.00 LA
Enter Term	3 0 Term	30.00 ANN TERM
Enter Interest	1 0 Int	10.00 ANN INT
Solve for payment	Pmt	P+I 877.57 PMT
Solve for total PITI for 5 years	1 : 5 Amort Amort Amort Amort	AMRT 52,654.29
Save to memory	M+	M 52,654.29
Enter buy down Interest rate	7 Int	7.00 ANN INT
Solve for payment	Pmt	P+I 665.30 PMT
Solve for total PITI for 5 years	1 : 5 Amort Amort Amort Amort	AMRT 39,918.15
Subtract from memory	- Rcl M+ =	- 12,736.14 Buy-Down amount