

AMORTIZATION SCHEDULES

Straight Line Examples:

PREMIUM

Payment = \$100 Interest = 8% Years = 3 FV = \$1000

Annual	<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u>	<u>C</u> <u>Int</u> (Rate x E)	<u>D</u> <u>Prin</u> (B-C)	<u>E</u> <u>Bal</u>
	Beg.				\$1051.54 PV
	1996	100	84.12	15.88	\$1035.66
	1997	100	82.85	17.15	\$1018.51
	1998	100	81.48	18.51	\$1000.00

Semi-Annual	<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u>	<u>C</u> <u>Int</u> (Rate x E)	<u>D</u> <u>Prin</u> (B-C)	<u>E</u> <u>Bal</u>
	Beg.				\$1052.42 PV
	1996-1	50	42.10	7.90	\$1044.52
	1996-2	50	41.78	8.22	\$1036.30
	1997-1	50	41.45	8.55	\$1027.75
	1997-2	50	41.11	8.89	\$1018.86
	1998-1	50	40.75	9.25	\$1009.61
	1998-2	50	40.38	9.62	\$1000.00

DISCOUNT

Payment = \$100 Interest = 12% Years = 3 FV = 1000

Annual	<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u>	<u>C</u> <u>Int</u> (Rate x E)	<u>D</u> <u>Prin</u> (B-C)	<u>E</u> <u>Bal</u>
	Beg.				951.96 PV
	1996	100	114.24	14.24	966.20
	1997	100	115.94	15.94	982.14
	1998	100	117.86	17.86	1000.00

Semi-Annual	<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u>	<u>C</u> <u>Int</u> (Rate x E)	<u>D</u> <u>Prin</u> (B-C)	<u>E</u> <u>Bal</u>
	Beg.				950.83 PV
	1996-1	50	57.05	7.05	957.88
	1996-2	50	57.47	7.47	965.35
	1997-1	50	57.92	7.92	973.27
	1997-2	50	58.40	8.40	981.67
	1998-1	50	58.90	8.90	990.57
	1998-2	50	59.43	9.43	1000.00

Straight Line Calculations:

PREMIUM

Payment = \$100 Interest = 8% Years = 3 FV = \$1000 PV = \$1051.54

<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u> (always)	<u>C</u> <u>Int</u> (Bal)(Rate)	<u>D</u> <u>Prin</u> (Pmt-Int)	<u>E</u> <u>Bal</u> (old Bal-Prin)
Beg.			1051.54	
1996	100 always	84.12 (1051.54)(.08)	15.88 (100-84.12)	1035.66 (1051.54-15.88)
1997	100 always	82.85 (1035.66)(.08)	17.15 (100-82.85)	1018.51 (1035.66-17.15)
1998	100 always	81.48 (1018.51)(.08)	18.51 (100-81.48)	1000.00 (1018.51-18.52)

DISCOUNT

Payment = \$100 Interest = 12% Years = 3 FV = \$1000 PV = \$951.96

<u>A</u> <u>Year</u>	<u>B</u> <u>Pmt</u> (always)	<u>C</u> <u>Int</u> (Bal)(Rate)	<u>D</u> <u>Prin</u> (Pmt-Int)	<u>E</u> <u>Bal</u> (old Bal-Prin)
Beg.				951.96 PV
1996	100 always	114.24 (951.96)(.12)	14.24 (114.24-100)	966.20 (951.96+14.24)
1997	100 always	115.94 (966.20)(.12)	15.94 (115.94-100)	982.14 (966.20+15.94)
1998	100 always	117.86 (982.14)(.12)	17.86 (117.86-100)	1000.00 (982.14+17.86)