HOMEWARE

FOR
COMMODORE

PROGRAM Nº:
09960029

LOAN AMORTIZATION

**How much principal and interest
will you pay on a loan?**

Examine all your options for taking on a new car loan, a
home mortgage, and so forth. OSCAR tells you how much
you'll pay over the life of the loan, and how much you'll pay
each period. Keep changing the
interest level and the length
of a loan to see what's best
for you.

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LOAN AMORTIZATION

THE COST OF MONEY

Tracking down an affordable loan in today's economy isn't always an easy job. In fact, at times it's so confusing that most families simply don't bother to shop around for the best financing available.

That's a mistake, though, that your family doesn't have to make. Add OSCAR's *Loan Amortization™* to your financial planning programs, and you'll be in a better position to handle any debt, because:

■ You'll learn about the various types of loans available.

■ You'll know how to calculate and compare the total cost of various loans to find the most cost-efficient loan.

■ You'll be able to analyze the possible negative (or positive) effects borrowing will have on your ability to reach your financial goals.

The simple Loan Amortization program is a good way of introducing you to the lending community. That's because the program analyzes the most common type of consumer loan available to you: the fixed payment loan. The fixed payment loan is usually a mortgage on your house, a home improvement loan or car loan. It simply asks what regular fixed payment is required to reduce a loan to zero over a certain number of years.

Suppose you took out a three-year loan to buy a new car. The amount of the loan is $5,000, and the annual interest rate is 12 percent. The first payment is due sometime in July 1984. Now let's ask the computer how much you'll have to pay each month. Enter this information:

1) Amount of the loan: **5000**.

2) Annual interest rate: **12**.

3) Number of payments per year: **12**. (Payments are due monthly. If they were due quarterly, you'd enter 4; if annual, 1.)

4) Enter total number of payments: **36**.

5) The year the payments start: **1984**.

6) And the number of the payment period.

Once all of the information has been entered, and you're sure it's correct, the computer will calculate your monthly payment and display the results in a table. The table lists each payment according to the interest expense per period, amount of the payment applied toward the loan balance and the remaining balance on the loan after each payment. In addition, the program will also calculate the total interest expense for each year, the total amount applied toward the principal each year and, at the end of the program, the total cost of the loan.

Here's what the abbreviations mean in the tables:

PMT — Payment number.

INT — Interest portion of the payment.

PRIN — Principal portion of the payment.

R-PRI — Remaining principal.

TO — Total.

In our example, the first month's interest expense is $50, the second month's $49, and so on. The first month you reduced the loan by $116 and left a balance of $4,884; the second month you reduced it by $117, with a balance of $4,767. Your total monthly payment, by the way, will always be $166 — the total of the interest and principal columns.

After you've written down the figures for the first year, go to the second year by pressing any key, then to the third and the fourth years. (Unless your first payment is due on Jan. 1, a three-year loan always will stretch over four years — think about it.) By the time the loan in our example is paid off, in 1987, you will have paid $978 in total interest, and total payments of $5,978; the program also tells you the total interest and principal paid each year.

Using The Results

Knowing what your payment will be each month is just part of the process you should go through when analyzing a loan. Other questions that the *Loan Amortization™* program will provide clues for include:

■ Are there other financing methods that would have a lower total cost?

■ How does the effective interest rate of this type of loan compare with the effective interest rate of other types of loans?

■ By how much will the yearly interest expense of a loan reduce your income tax bill?

■ Should your family be taking on additional debt right now?

Program Instructions

◆ Load the program into your computer with OSCAR. Then type **RUN**. (Refer to your User's Manual if you have difficulties.)

◆ Enter the amount of the loan up to a million dollars (actually, $999,999); the annual interest rate up to 30 in decimal figures (to two places); the number of payments each year up to 12; and the total number of payments over the course of the loan, up to 50. The computer will reject any input that's in error. Hit **RETURN** or **ENTER** if the program does not go to the next prompt automatically.

◆ Enter the year and the number of the payment period.

◆ Type **Y** (yes) if you want to change any of your inputs before the program runs, and the computer will repeat the questions. Type **N** (no) if your inputs are correct, and the computer will calculate the first year's payments. Be sure to write down the results before you continue.

◆ Hit **RETURN** or **ENTER** to bring up the second year's table, and so on. After the last year's table the computer will total the results.

◆ Hit any key to restart the program to analyze another loan proposal.

COMMODORE

VIC 20®,
64, PET BASIC 3.0   4.0

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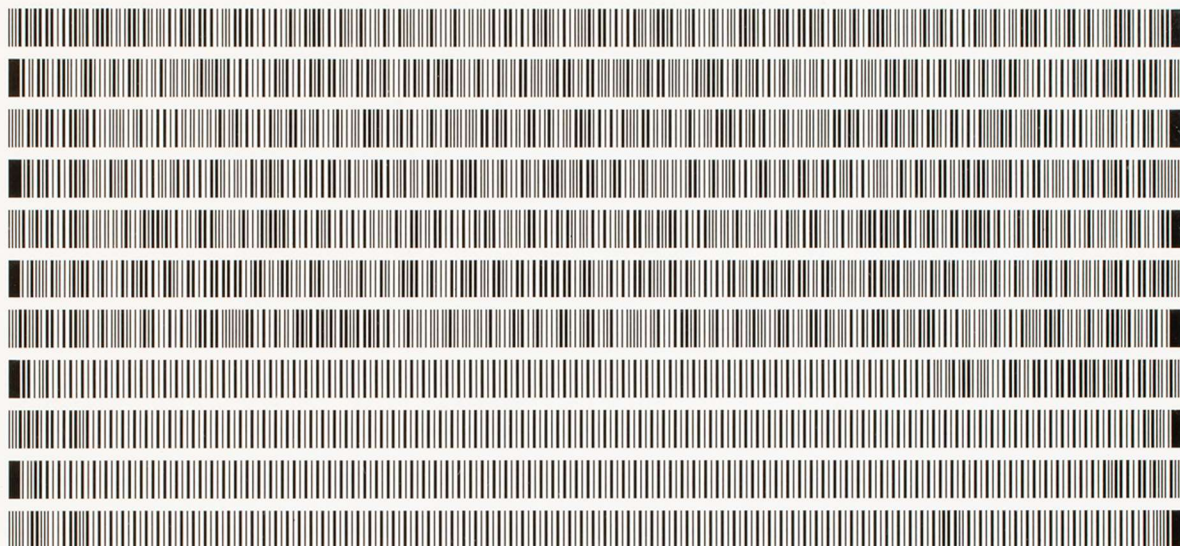64, PET BASIC 3.0   4.0

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COMMODORE

VIC 20 •
64, PET BASIC 3.0   4.0

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ADDITIONAL DATABAR SOFTWARE

Look for these exciting Databar software programs at your favorite department stores, computer and software outlets and bookstores. This basic list will be expanding by 12 or more titles each month — check monthly issues of *Databar Magazine* for new titles.

FUNWARE™

GOMUKU
The computer is your formidable opponent. Who can be first to get five in a row?

HAMARABI
You rule an ancient city-state. Can you wisely manage the land to feed your people?

ALPHA THREE
You're on a mission in space to save the people of your planet.

PUZZLE JUMPER
Can you jump the pieces to wipe them away in fewer and fewer turns?

CODE MASTER
Pit your code-breaking skills against OSCAR or a friend.

FOUR-IN-A-ROW
Be the first to stack four pieces up, across or diagonally.

AMULET
Mathematical logic helps you find the hidden amulet.

AWARI
A game of strategy and skill invented by the ancient Egyptians.

HOMEWARE™

HOME MORTGAGE
How much can you afford now and in the future for a mortgage?

CLASSWARE™

COUNTING CRUISE
Use your skill at numbers to build a tiny tugboat.

OSCAR's SPELLER
Is your spelling up to par? Challenge yourself and others.

HEALTHWARE™

BODY INJURIES 1
How should you treat an injury to a limb?

CUTS AND SCRAPES
What are the proper procedures for patching up minor injuries?

SCIENCEWARE™

SHORTEST PATH
Your task looks simple . . . until you try to figure out the formulas for success.

VOLUME AWARENESS
How much does a box . . . a cylinder . . . a cone . . . a sphere . . . or a combination of shapes hold?

WORDWARE™

WORD LADDER
Build your vocabulary skills as you convert one word to another, one letter at a time.

SPEED READING
Let OSCAR help you build your reading speed.

DATABAR

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