User's Guide

623H LoanMaker®

PROM Software Inc

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Description

The 623H system computes and discloses installment loans with monthly, semi-monthly, biweekly, and weekly payments. Both the payment and available loan amount can be computed. Credit life and accident-&-health insurance can be included in the computations.

The insurance premiums are computed using a monthly outstanding balance method; they are not financed. Both the total life benefit and monthly accident-&-health benefit can be limited.

All monthly payments are considered due on the same day of each month and the monthly interest earned is computed by applying 1/12th of the annual interest rate to the outstanding balance for each month. For other payment frequencies, 1/Fth of the annual interest rate is used, where F is the number of payments per year (i.e., 52, 26, or 24). If desired, the loan date and first payment date, or the number of days between the loan date and the first payment date, may be entered. Odd-day interest calculations are made using the U.S. Escrow Rule.

The payment routine finds the payment. The loan amount routine reverses the process and computes the available loan amount from the payment. Starting either routine clears the previous input items except for interest rate, loan fee (if enabled), and loan date.

The calculator features a [BACKUP] key which allows you to back up in the prompting routine to correct an entry, and to back up in the disclosure section to review an item. Both the Payment and Loan routines can be reentered using the Rework Key -- this does not clear the previous loan and displays the values previously used while allowing any of them to be changed.

In response to a prompt, enter a value and push [ENTER]. Incorrect entries may be cleared by pressing the red [C.CE] key unless you have already pushed [ENTER], in which case you should use the [BACKUP] key. You can also use the Rework key to start over.

A Single-Payment Loan routine is available on the Star [*] Function Key

——Rework——		#	BackUp
▢	▢	▢	▢
Payment	**Loan**	✱	**Setup**
▢	▢	▢	▢
PROM 623			**LoanMaker**®
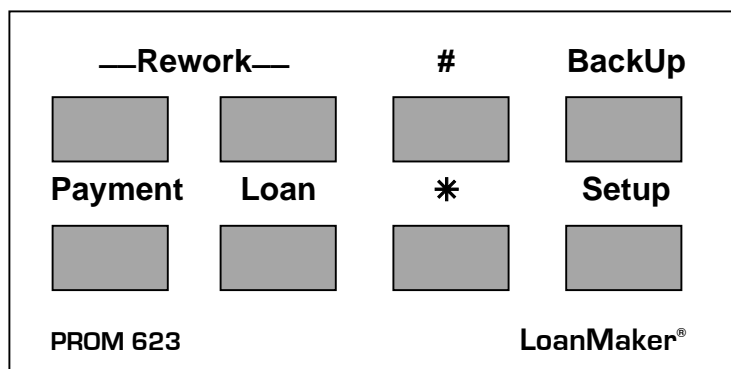
The [#] function key is a clear key and pushing it will clear all variables.

Installment Loan Routine – [Payment] & [Loan] Function Keys

<u>Prompt</u>	<u>User Response</u>
	Push [Payment] to compute a payment, [Loan] to compute the loan amount, or [Rework] to review the previously computed loan.
LOAN xxxxxx.xx?_	Enter the loan amount.
PMT xxxxx.xx?_	Enter the desired payment.
FEES xxx.xx?_	Enter any financed fees.
PMT FREQ xx?_	(Appears only if multiple payment frequencies are enabled.) Enter the correct frequency and press [ENTER]. Valid frequencies are 12, 24, 26, and 52, for monthly, semi-monthly, biweekly, and weekly frequencies. Invalid entries, including 0, are changed to 12, indicating monthly payments.
TERM/-# xxx?_	Enter the desired term in months (3 or more). To enter the number of payments to be made, enter a negative number (e.g., enter -104 to indicate 104 payments).
RATE xx.xxx%?_	Enter the interest rate as a percentage.
LDATE xxxxxx?_	Enter the loan date in the mmddyy format, e.g., November 3, 1998, as 110398.
FD/DYS xxxxxx?_	Enter the date of the first payment or the number of days to the first payment.[1]
LIFE 1?_	Enter the life insurance code (1: single, 2: joint, and 0: none).
A&H 1?_	Enter the A&H insurance code (1: single, and 0: none).

The monthly payment or available loan amount will appear in the display. To disclose the loan, continue to press [ENTER]. To change any of the loan parameters push either the [Backup] or [Rework] function key. To start the routine again (or another routine), press the appropriate key.

---

[1] To compute a loan with exactly one unit period to the first payment, enter a 0 here.

```
 _____
| Xx PT @     xxxxx.xx |          # and amount of payment.
|_____|


 _____
|-------------------          
| APR           xx.xx% |          Fed Box.
| FIN CG    xxxxxx.xx |
| AMT F     xxxxxx.xx |
| TOT P     xxxxxx.xx |
|                             |
| xxx PT@     xxxxx.xx |          Payment schedule.
|     (frequency)      |          Payment frequency.
|                             |
| LOAN ON    mm/dd/yy |          Loan date.
| 1ST DUE    mm/dd/yy |          First payment due date.
|                             |
| (a11b) DAYS       xx |          Status flags[2] & # of days to first payment.
|                             |
| LOAN      xxxxxx.xx |
| FEES         xxx.xx |          Filing fees, etc.
| LIFE x      xxxx.xx |          Credit-life code & premium.
| A&H         xxxx.xx |          A&H premium.
|                             |          ("C" indicates capped premiums)
|                             |
| L FACT     x.xxxxxx |          If the premiums are capped, these factors
| H FACT     x.xxxxxx |          will show the portion of the loan that is
|                             |          insured (1.0 indicates full coverage).
| COPR 1999 PROM      |
|_____|
```

Continue to press [ENTER] to review the disclosure; press the [Backup] key to back up in the disclosure; press the appropriate key to start a routine.

Year 2000 Compliant

The date routines in this program will correctly calculate dates for the Year 2000 and beyond. Dates are entered in a 'mmddyy' format using 6 digits, with the last two 2 digits reserved for the year. The span of dates that can be entered is from '010150' through '123149' (January 1st, 1950 through December 31st, 2049). Thus a date entry of 010100 represents January 1, 2000. Calculated dates are displayed in the same 'mmddyy' format with the last two digits representing the last two digits of the year.

---

[2] Calendar ("A" for Actual to first), life type (a number), and A&H interpolated ("I") or bracketed ("B").

Calculation Notes

In the payment routine, the 623H system truncates payments to the lower whole cent as is commonly done in the computation of payment books. The resulting payment is the highest possible (adjusted to a whole cent) without exceeding the entered interest rate. Thus the 623H system can be used safely for precomputed loans written at maximum statutory interest rates.

For loans with odd days in the first period, interest is calculated by the U. S. Escrow Rule (some special models may use other methods).

The insurance rates are based on the equivalent term in months which is computed as follows:

```
Eq_term = Num_pmts x 12 / Freq    (rounded to nearest whole month).
```

The periodic interest rate and insurance rates are computed as follows:

```
Eq_rate = Monthly_rate x 12 / Freq.
```

The equivalent monthly payment, for A&H maximum benefit purposes, is computed as follows:

```
Eq_monthly_payment = Payment x Freq / 12.
```

Credit Insurance Benefit Limits

If the amount financed is less than or equal to the maximum life benefit, "L_FACT" will be equal to 1. However, if the amount financed exceeds the maximum life benefit and a "pro-rate" cap has been selected, only a portion of the principal balance will be covered with life insurance. To correctly compute the periodic life premiums over the course of the loan, this factor must be included in the calculations as follows:

```
Periodic_life_premium = Balance x MOB_Rate x L_FACT.
```

The MOB_Rate must be adjusted for the payment frequency.

If the either the monthly payment or total of payments exceeds a maximum A&H benefit (and the maximum benefits are "pro-rate"), the "H_FACT" line indicates the portion of the loan that is covered with A&H insurance. The periodic premium must be computed similarly to the life premium calculation shown above.

Single Payment Loan - Star [*] Function Key

In a single-payment loan, all interest and principal is repaid in a single payment at some specified time in the future.

Prompt	User Response
	Push the Star [✳] function key to start this routine.
LOAN xxxxxx.xx?_	Enter the loan amount.
RATE xx.xxx%?_	Enter the interest rate.
LDATE mmddyy?_	Enter the loan date. Enter the date in the format mmddyy, e.g., 030899 for March 8, 1999.
FD/DAYS?_	Enter either the date the payment is due or the number of days between the loan date and the payment due date.

To disclose the loan, continue to push [ENTER]. To change an entry, push the [Backup] key.

```
APR        xx.xx%
FIN CG xxxxxx.xx
AMT F  xxxxxx.xx
TOT P  xxxxxx.xx

LOAN ON mm/dd/yy
DUE      mm/dd/yy

(ccc)    DAYS xxx
COPR 1999 PROM
```
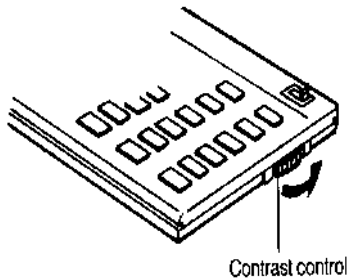Fed Box

Enabling the Printer

CODE?_	Enter the code number 9911.
PRINTER <N/Y>?_	Press [Yes] to enable the printer, or [No] to disable it.

Viewing the Configuration

CODE?_	Enter the code number 222. Continue to push [ENTER] to view all of the parameters.

# Battery Replacement & Maintenance

Adjusting the Display Contrast

The calculator is equipped with a control to adjust the contrast of the LCD (liquid crystal display). While looking at the display from a position about 70 degrees above the keyboard, first increase the contrast until black squares are clearly visible behind the characters and then decrease the contrast slowly until the squares just disappear.

Contrast control

If the display contrast becomes too dim, the batteries should be replaced.

Battery Replacement

To replace the batteries, you should first have replacement batteries at hand. Two lithium type CR2032 batteries and a small screwdriver are required.

1) Make sure the calculator is turned off. Place the calculator face down on a table with the contrast control in the upper left-hand corner (the writing on the back of the calculator will be right side up).

Battery cover

Stopper
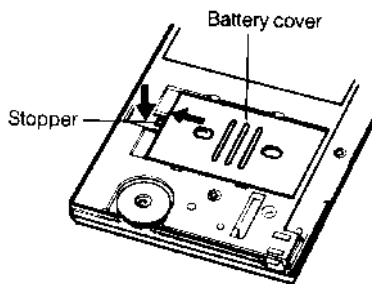
2) Remove the Software Cartridge from the calculator.

3) Using a small screwdriver, remove the two screws holding the back. While lifting the edge of the calculator's back cover closest to you, slide it up to remove it.

4) Slide the silver-colored battery compartment cover upwards to open the compartment; remove the cover. The batteries are now disconnected; remove and discard them.
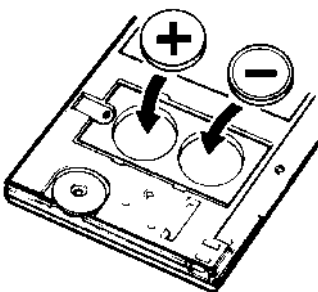
5) Install the new batteries, making sure the polarity (+ and -) is correct, and replace the battery compartment cover. (Make sure to replace the battery compartment cover--the batteries are not connected unless the battery compartment cover is in place.) Replace the back of the calculator by first hooking the 3 tabs on the top and then lowering the edge closest to you so you can replace the 2 screws.

6) Replace the Software Cartridge in the calculator. If it has been out of the calculator for more than about 5 minutes, you will have to initialize it. See below.

Initializing the Software Cartridge

After replacing the batteries or if you remove the Software Cartridge from the calculator, you may need to initialize the Software Cartridge with the following steps. Software Cartridges have a label on the back side (the side that faces the calculator) which has instructions similar to the following.
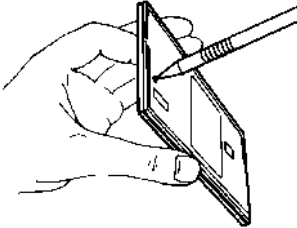
1) Install the Software Cartridge in the calculator. With a pencil or straightened paper clip and the calculator ON, push the "ALL RESET" button on the left side of the back of the calculator. You should see 4 stars in the display (2 on the left, 2 on the right). (On some calculators, there may be a white label over the "ALL RESET" button. If so, gently lift up the lower left corner to reveal it)

2) Push [ENTER]. You should now see a single star at the right edge of the display.

3) Turn the calculator off, wait a few seconds, and then turn it back on. You should see "0." in the display. The calculator is now ready to be configured.

4) Push the [Setup] key. You should see "CONFIGURING..." appear for a moment and then, after several seconds, the calculator will go to the Changing the Insurance Rates routine on page 10.

Setup Routine - [Setup] Function Key

The [Setup] function key accesses several setup routines to configure the calculator. All are started by pushing the [Setup] key and then entering the appropriate code number, e.g., a code number of 97249 allows you to change the insurance rates and other options.

Changing the Insurance Rates

CODE?_	Enter the code number 97249.
SGL MOB x.xx?_	Enter the single life rate and push [ENTER].
JNT MOB x.xx?_	Enter the joint life rate and push [ENTER].
A&H MOB x.xx?_	Enter the A&H (disability) rate and push [ENTER].
DEF FREQ 12?_	To enable multiple payment frequencies, enter the default payment frequency, e.g., enter 12 for monthly payments. To compute only monthly loans, enter a 0 here

Viewing the Insurance Rates and Plan

CODE?_	Enter the code number 222. To see all the plan variables, continue to push [ENTER].