

**Example of Rebate Calculation that Conforms with Appendix J of REG Z
for an Installment Payday Loan**

TILA DISCLOSURES:

Loan Date: 04/01/2011
Amount Financed \$1000
Finance charge \$1299.46
1st payment due 04/29/2011 of \$349.95
10 biweekly payments of \$194.95 starting 05/13/2011
TILA Annual Percentage Rate 402.998%

Applying the REG Z Appendix J methodology to the above loan terms results in appropriation of the finance to the installment periods as follows:

1 st regular period ending	04/15/2011	\$155.00
Extension period ending	04/29/2011	\$155.00
Installment period ending	05/13/2011	\$148.81
Installment period ending	05/27/2011	\$141.65
Installment period ending	06/10/2011	\$133.39
Installment period ending	06/24/2011	\$123.85
Installment period ending	07/08/2011	\$112.83
Installment period ending	07/22/2011	\$100.10
Installment period ending	08/05/2011	\$85.40
Installment period ending	08/19/2011	\$68.42
Installment period ending	09/02/2011	\$48.81
Installment period ending	09/16/2011	\$26.16

A Prepayment on 4/08/2011:

Calculate interest earned 4/01/2011-4/08/2011: $\$155 / 14 \text{ days in period} \times 7 \text{ days earned} = \77.50
Deduct earned interest from total interest: $\$1299.46 - 77.50 = \1221.96 REBATE

A Prepayment on 07/15/2011:

The rebate is the total finance charge minus the interest scheduled to be earned through the 07/08/2011 installment and seven days of the interest scheduled to be earned from 07/08/2011 through 07/22/2011:

Interest earned through 07/08/2011: $\$155 + 155 + 148.81 + 141.65 + 133.39 + 123.85 + 112.83 = \970.53
Daily interest 07/08/2011 through 07/15/2011: $\$100.10 / 14 \text{ days} \times 7 \text{ days} = \underline{\$50.05}$
Total Interest Earned = \$ 1020.58

Deduct earned interest from total interest $\$1299.46 - 1020.58 = \278.88 REBATE