

You Borrowed at What Rate?!

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Johnson County C.C.

ColoMATYC
March 2, 2012

Payday Loan

MyPayDayLoan.com

Home | Apply | Payments | Renew | Requirements | FAQ | APR Disclosure | Privacy | Loan Increase | Mission

You Can Qualify for Colorado Payday Loans Via Our Simple Online Application Process

Let the prominent payday loan and cash advance provider in Colorado remove you from your financial debt! You can trust MyPayDayLoan.com to offer you easy payday loans and cash advances especially when you are running out of alternatives. Our experts are always on call. Apply at any hour for swift payday loans and cash advance and our team will ensure that your loan request is handled professionally.

A Whopper of an APR

MyPayDayLoan.com

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LOAN AMOUNT (Amount Financed)	LOAN TERM: 1 PAYMENT (# of Days)	LOAN FEE (Finance Charge)	CHECK AMOUNT (Total of Payments)	APR
\$100.00	18	\$25.00	\$125.00	506.94%
\$100.00	14	\$25.00	\$125.00	651.79%
\$100.00	7	\$25.00	\$125.00	1303.57%

Basics of Loan Interest

- Simple Interest Formula: $I = PRT$
- Compounding is just simple interest where the principal includes previously earned interest
- Loans generally avoid compounding because payments are sufficient to cover previously earned interest
- Computational method affected by single or multiple payments, of equal or different amounts.

Defining the APR

- For a single payment: $R = \frac{I}{PT}$
- I = total finance charges (interest plus fees)
- P = actual proceeds (available to borrower)
- T = true time (based on 365-day year)

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$$R = \frac{I}{PT} = \frac{25}{100 \times \frac{14}{365}} = 6.5179 = 651.79\%$$

A Student's Experience (from fall 2005)

- In 1994, I received a car loan from [Lender A] as a first-time buyer. The interest rate was 12.5%. Right now, I have an auto loan with [Lender B] and my interest rate is 23.45%. I have used [Lender C] in Missouri to take out what they call "signature loans," which are, in essence, payday loans, and their **yearly interest rate is 260%**. I have a Perkins loan for my college education ... and the interest rate on that is 5%.

- Back in 1994, 12.5% was a decent rate for a car loan. These new 1.9% rates were unheard of. It was by no means a great rate, but average. I had no credit, which went against me, but I was a first time buyer with about 10% down, so that helped. **Now, my credit sucks.** I could not get financed for a newer used automobile with my credit. I finally found someone to finance me, but I had 24% to put as a down payment, and I had to accept the outrageous interest rate. My credit was the main reason for such a high rate. I am a risk to them, so in return for taking that risk, they charge an arm and a leg in interest. (Good news is I can refinance and get a lower interest rate after a year of steady payments.)

- [Lender C] charges so much because they can. People who are desperately in need of quick cash to pay an unexpected bill, or to make their rent or utilities, call upon the services of companies like these. **To borrow \$100 for one month, you will have to pay back \$130.** However, most people don't borrow such a small amount. For every \$100 that is borrowed, it is a \$30 monthly fee. You can choose to pay it off right away, but most people don't have an extra \$130 the next month, so they let the payment plan take its course. The plan is for one year. **So, at the end of the year, you have paid back \$360, when you only borrowed \$100 to begin with.** They don't do credit checks, so they are also taking a huge risk when loaning money.

- I have found that once I borrow money to make the bills or to get caught up, **I have to take another one out the following month to pay the payment on the first one.** It goes on like this until I have borrowed my limit. Usually, I use tax refunds or lower interest student loans to pay them off eventually. I try not to let them extend through the entire year. It is a handy loan if you are desperate, but it becomes a hole you can't dig yourself out of. Government officials in Missouri are trying to regulate the amount of interest these payday loan places are allowed to charge, but this place calls its loans "signature loans," so even if that law passes, it will be exempt. My findings: Credit, government, loan type, income of applicant, and economy all play a role in the rate of interest that is paid on a loan.

The Student's Experience

$$R = \frac{I}{PT} = \frac{30}{100 \times \frac{1}{12}} = 3.6 = 360\%$$

- \$100 borrowed
- \$30 interest
- 1 month

- 360%, not 260%**

Convenience (Late) Fee



Public Water Supply District No. 2
of Jackson County, Missouri
6945 Blue Ridge Blvd
Raytown, MO 64133-5695
Phone: (816) 353-5550
Fax: (816) 353-6000
E-Mail: pwsd2@sbglobal.net
Website: www.pwsd2.org

TOTAL AMOUNT DUE BY:	11/15/2010	107.87
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Amount Due After	11/15/2010	118.46
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When is my Water bill due?

Your Water bill is due upon receipt. It is considered past due and a penalty is added on the date mentioned on your original bill. The past due date is usually the fifteenth of the month following the billing date. The past due penalty is 10% of the balance of water charges. If unpaid a shut off notice will be sent approximately two weeks later.

Effective Rate of a Late Fee

- \$107.87 principal
 - \$118.46 if late
 - 2 weeks
- $$R = \frac{I}{PT} = \frac{10.59}{107.87 \times \frac{2}{52}} = 2.5525 = 255.25\%$$

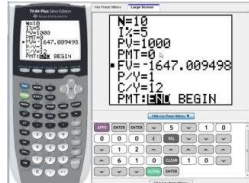
Periodic Payments and the APR

$$\begin{aligned} & [\dots [[P(1+i) + M](1+i) + M](1+i) + \dots](1+i) + M = -A \\ & P(1+i)^M + \sum_{k=0}^{M-1} M(1+i)^k = -A \\ & -P(1+i)^M - \frac{M[1-(1+i)^M]}{1-(1+i)} = A \\ & \left(P + \frac{M}{i}\right) [1-(1+i)^M] - P = A \end{aligned}$$

- A = future value (A < 0 for loan balance)
- P = present value
- M = periodic payment (M < 0 for loan)
- i = periodic interest rate (decimal form)
- N = number of periods

Periodic Payments and the APR

- Or use a TVM application: (APPS, Finance, TVM Solver)
- N = number of periods
- I% = interest rate / year
- PV = original balance
- PMT = periodic payment
- FV = future value (usually 0 for a loan)
- P/Y = periods per year



Buy Here Pay Here

\$500 DOWN DELIVERS

GET INTO THIS VERSATILE KIA RONDA WITH LOW DOWN!!!
 LOW MILES ONLY 56K!!!
 SALE PRICE \$12995, \$500 DOWN PAYMENT, 234 WEEKLY
 PAYMENTS OF \$88.74 @23.95% APR
 with approved credit (it is hard NOT to be approved)
 Stock # RD1030

Coupon not valid with any other offer. Must present coupon at time of purchase. Limit one coupon per person. Coupon does not apply to prior purchases. Other Restrictions may apply. Void where prohibited.



Buy Here Pay Here

- N = 234
- I% = ???
- PV = 12495 (12995 minus 500 down)
- PMT = - 88.74
- FV = 0
- P/Y = 52
- Result I% = 24.80 % (it doesn't check!)

Edmunds 2007 Kia Rondo Prices

Available Models

Use the Edmunds Pricing System to help you get the best deal:

 <p>LX</p> <ul style="list-style-type: none"> • 2.4L 4-cyl. engine • Automatic transmission • Up to 30 mpg/25 hwy mpg • Side/Curtain Airbags • Stability control • Third row seats (Optional) <p>View photos View All Features & Specs</p>	<p>Used THV from \$8,892</p> <p>APPRaise YOUR CAR</p>
 <p>EX</p> <ul style="list-style-type: none"> • 2.7L V6 engine • Automatic transmission • Up to 30 mpg/25 hwy mpg • Side/Curtain Airbags • Stability control • Third row seats (Optional) <p>View photos View All Features & Specs</p>	<p>Used THV from \$10,360</p> <p>APPRaise YOUR CAR</p>

Buy Here Pay Here

- N = 234
- I% = ???
- PV = 9860 (10360 minus 500 down)
- PMT = - 88.74
- FV = 0
- P/Y = 52
- Result I% = 35.46 %

Rent-to-Own



Rent-to-Own

- N = 91
- I% = ???
- PV = 999.99
- PMT = - 19.99
- FV = 0
- P/Y = 52
- Result I% = 76.37 %

Rent-to-Own



Google products 40RV525R Search Products

Toshiba - 40RV525R - 40" LCD TV - 1080p (FullHD) from Toshiba in Televisions & Flat Panels

Overview - Online stores - Reviews - Technical specifications - Similar items - Accessories

\$688 online
★★★★★ 92 reviews

High-gloss black.
The R-V25 series combines a 1080p Full HD CineSpeed LCD display with DynaLight dynamic backlight control and a high-resolution PC input for true home theater picture quality, and enhanced PC gaming.

Add to Shopping List

Reference	Seller rating	Condition	Tax and shipping	Total price	Base price
Best Buy	★★★★★ 1,153 seller ratings	In stock	Free shipping	\$541.39	\$519.99
Meigs.com	★★★★★ 10,654 seller ratings	New	No tax + Shipping \$41.60	\$719.99	\$699.99
Woot.com	★★★★★ 172 seller ratings	New	No tax + Free shipping	\$719.99	\$719.99
HDREP Lifestyle	★★★★★ 43 seller ratings	New	No tax + Free shipping	\$764.99	\$764.99
AdvancedLamps	★★★★★ 303 seller ratings	New	No tax + Shipping \$50.27	\$820.27	\$820.00
UtopiaDeals.com	★★★★★ 72 seller ratings	New	No tax + Shipping \$4.99	\$762.66	\$777.70
MemoryExpress.com	★★★★★ 68 seller ratings	New	No tax + Free shipping	\$861.79	\$881.79
Kulervo.com	★★★★★ 84 seller ratings	New	No tax + Free shipping	\$799.99	\$799.99
ElectroSale.com	★★★★★ 223 seller ratings	New	No tax + Shipping \$6.80	\$962.49	\$976.49
Newsworld.com	6 seller ratings	New	No tax + Shipping \$38.81	\$727.52	\$688.45

Rent-to-Own

- N = 91
- I% = ???
- PV = 719.99 (not 999.99)
- PMT = - 19.99
- FV = 0
- P/Y = 52
- Result I% = 128.79 %

A School Trumpet



Cash Price	585.00	Instrument	Trumpet.
Sales Tax	38.03		
Total Cash Price	623.03		
Down Payment	25.00	Term	29 months
Amount Financed	598.03	Amount/month	25.00
Finance Charge/APR 12%	115.34	Final Payment	14.97
Total Payments	714.97	1st Payment Date	10/1/93
Deferred Price	739.97		

Trumpet: How Long?

- $N = ???$
- $I\% = 15$
- $PV = 598.03$
- $PMT = -25$
- $FV = 0$
- $P/Y = 12$
- Result $N = 28.60$ periods

Trumpet: Last Payment?

- $N = 29$
- $I\% = 15$
- $PV = 598.03$
- $PMT = -25.00$
- $FV = ???$
- $P/Y = 12$
- Result $FV = \$9.99$ (overpaid)
so last payment is $25.00 - 9.99 = \$15.01$

Trumpet: The Other Option

gives you three options during your rental period:

- 1. Rent to own:** Customer agrees to pay a monthly rental fee which is stated at the right until the instrument has been paid in full or options 2 or 3 are exercised.
- 2. 25% discount:** Ninety days from the start of the rental, the customer may receive a 25% discount on the unpaid balance. Once the account is paid, the instrument is yours and options 1 & 3 are void.
- 3. Return at any time:** The instrument may be returned at any time in good condition and provided the payments are current. If the instrument is returned, all payments shall be considered rent and no refund of money will be made.

Trumpet: Effective Rate?

- $N = 29$
- $I\% = ???$
- $PV = 448.52$ (25% off of 598.03)
- $PMT = -25.00$
- $FV = 10.03$ (25.00 - 14.97 last payment)
- $P/Y = 12$
- Result $I\% = 41.71\%$

0% APR ???

\$13,000 OFF MSRP! AVAILABLE ON ALL NEW 2010 FORD F-150 SUPERCREWS!
OR ... **0% APR FOR 72 MONTHS!**
SEVERAL IN STOCK AT THIS DISCOUNT!


Factory Rebate \$5,500 + BFLM Disc \$7,500. Discount available on these vehicles only: S1N# 078834, 078823, 078711, 078775. *Charge for 72 months available in lieu of All cash back, WAC & \$38,000 maximum financed.

from Yahoo! Autos

Autos > New Cars > Ford > 2010 Ford F-150 SuperCrew 4X4

2010 Ford F-150 SuperCrew 4X4

Research Other Years



MSRP
\$33,255 - \$39,915

Invoice
\$30,817 - \$36,043

145-in. WB Lariat Styleside shown

The 2010 F-150 SuperCrew 4X4 is a 4-door, up to 6-passenger full size pickup, available in 8 trims, ranging... [read more](#)

Average User Rating

Overall ★★★★☆

Appearance ★★★★☆

Comfort ★★★★☆

Performance ★★★★☆

Value ★★★★☆

[26 User Reviews](#)
[Write a Review](#)

8 Trims Available What's this?

2010 Ford F-150 SuperCrew 4X4

Select a trim below for more detailed vehicle information, including pictures, specs, and reviews.

PICTURE	TRIM NAME	MSRP	INVOICE	ENGINE	FUEL ECONOMY
	145-in. WB XL Styleside	\$33,255	\$30,817	4.6L V8 292 HP	14 / 19 mpg
	157-in. WB XL Styleside	\$33,555	\$31,089	4.6L V8 292 HP	14 / 19 mpg
	145-in. WB XLT Styleside	\$35,405	\$32,052	4.6L V8 292 HP	14 / 19 mpg
	157-in. WB XLT Styleside	\$35,705	\$32,317	4.6L V8 292 HP	14 / 19 mpg
	145-in. WB FX4 Styleside	\$38,355	\$34,663	5.4L V8 310 HP	14 / 18 mpg
	157-in. WB FX4 Styleside	\$38,655	\$34,928	5.4L V8 310 HP	14 / 18 mpg
	145-in. WB Lariat Styleside	\$39,615	\$35,777	5.4L V8 310 HP	14 / 18 mpg
	157-in. WB Lariat Styleside	\$39,915	\$36,043	5.4L V8 310 HP	14 / 18 mpg

Cash vs. Credit

- Cash Price:
 - 39615 – 13000 = \$26615
- Credit Price:
 - Monthly payments of 39615 / 72 = \$550.21

\$13,000 off OR 0% APR

- N = 72
- I% = ???
- PV = 26615 (39615 – 13000 off)
- PMT = – 550.21 (39615 / 72)
- FV = 0
- P/Y = 12
- Result I% = 14.13 %


Auto Leasing

SPECIAL OFFERS


\$0 DOWN PAYMENT
SECURITY DEPOSIT
FIRST MONTH'S PAYMENT
DUE AT LEASE SIGNING**

EXCLUDES TAXES, TITLE AND FEES.

\$199 PER MONTH FOR 42 MONTHS



Auto Leasing



**** Monthly payment includes \$595 acquisition fee. \$17,555 MSRP plus \$795 destination. Payment based on capitalized cost of \$18,045 after \$400 Mazda customer lease support. Dealer participation required. Total payments of \$8,159. Tax, license, title, fees, options and insurance extra. Not all lessees qualify for \$0 down payment and lowest payment through participating lender. Payments vary based on residency and other factors. Lessee responsible for excess wear and mileage over 42,000 at \$0.15/mile. Lease end purchase option is \$11,194 plus tax or at price negotiated at signing. Take new retail delivery from dealer stock by 2/28/2011. See participating dealer for qualifications. Excludes MAZDASPEED3.**

Auto Leasing

- $N = 42$
- $I\% = ???$
- $PV = 18045$
- $PMT = -199$
- $FV = -11194$
- $P/Y = 12$
- Result $I\% = 2.92\%$
- ... usually, leases are done BEGIN mode

From Yahoo! Autos

2011 Mazda MAZDA3

MSRP: \$15,800 - \$23,010
 Invoice: \$14,801 - \$22,294

Average User Rating: Overall 4.5 stars, Appearance 4.5 stars, Content 4.5 stars, Performance 4.5 stars, Value 4.5 stars.

The 2011 MAZDA3 is a 4-door, 5-passenger family sedan, or wagon, available in 7 trims, ranging from the L... [read more](#)

Lease offer: \$0 down, \$199/mo, 42 months. Includes tax, title, license, dealer fees. Monthly payment includes \$100 acquisition fee.

2011 Mazda MAZDA3

Select a trim below for more detailed vehicle information, including pictures, specs, and reviews.

PICTURE	TRIM NAME	MSRP	INVOICE	ENGINE	FUEL ECONOMY
	i SV 4-Door	\$15,800	\$14,801	2.0L I4 148 HP	25 / 33 mpg
	i Sport 4-Door	\$16,705	\$15,648	2.0L I4 148 HP	25 / 33 mpg
	i Touring 4-Door	\$18,100	\$16,962	2.0L I4 148 HP	25 / 33 mpg
	s Sport 4-Door	\$19,545	\$18,303	2.5L I4 167 HP	20 / 28 mpg
	s Sport 5-Door	\$20,045	\$18,771	2.5L I4 167 HP	20 / 28 mpg
	s Grand Touring 4-Door	\$22,510	\$21,079	2.5L I4 167 HP	20 / 28 mpg
	s Grand Touring 5-Door	\$23,010	\$22,294	2.5L I4 167 HP	20 / 28 mpg

[Compare](#) between Mazda MAZDA3 trims

Auto Leasing

- $N = 42$
- $I\% = ???$
- $PV = 16705$ (not 18045)
- $PMT = -199$
- $FV = -11194$
- $P/Y = 12$
- Result $I\% = 5.77\%$

Edmunds 2008 Mazda 3i Sport Price

2008 Mazda MAZDA3 Sedan

Used MSRP from \$9,965

Lease offer: \$349/mo, 36 months. Includes tax, title, license, dealer fees. Monthly payment includes \$100 acquisition fee.

What Edmunds Says: Entering an entry is not a guarantee of a sale. The price is based on the current market and is subject to change. The car should be at the top of your list.

2.0L 4-cyl. engine
 Manual Transmission
 Up to 24 city/32 hwy mpg
 MP3 Player
 Satellite radio (Optional)
 Side/Curtain Airbags (Optional)

Auto Leasing

- $N = 42$
- $I\% = ???$
- $PV = 16705$ (not 18045)
- $PMT = -199$
- $FV = -9965$ (not 11194)
- $P/Y = 12$
- Result $I\% = 3.43\%$

For more information on leasing



Auto Leasing: The Art of the Deal

A Consumer's Guide to Smart Car Leasing

LeaseGuide.com is a car lease consumer's gold mine of no-nonsense information and easy-to-understand expert advice. This free guide removes the confusion and fear of auto leasing, and shows you how to lease with skill and confidence. It's simply everything you need to know about car leasing — everything.

LeaseGuide.com tells you how auto leases really work, who should lease, where to get the best lease deal, and how to determine monthly payments. Questions? Negotiating with dealers? Lease calculator software? Lease vs. buy? Scams and dealer tricks? Want out of a lease? Confusing car lease agreements? Lease-end questions? Luxury car lease? Best Leasing? Expert help?

LeaseGuide.com has all the answers. It's the essential guide to smart automobile leasing. And it's all simply explained so that you don't need a college business degree to understand it. Thousands of automotive consumer's visit and benefit every day from the helpful information and advice on our site. Give us a try. By the way, we are not a car lease company and don't sell or lease cars.

<<< QUICK START MENU >>>



Great Rates No Hassles

Line Of Credit	Government Platinum
Interest Rate	20.00% per month, on average daily balances
Cash Advance	10.00% of cash advance

Your personal line of credit is simple, yet flexible.

The interest rate is 20.00% per month. The one-time cash advance fee is 10.00% of cash advance for each cash advance. And, in less than 10 months, your balance will be paid in full. Every payment includes principal and interest! There are no hidden costs. There are no monthly fees, application fees, setup fees, or annual fees. If you qualify for a \$1,000 credit limit, but never get a cash advance, there are no charges. You only pay when you get cash! And, you have the option to pay early, and if you pay early, you will save by paying less interest!

How your payment schedule works:

Let's say your credit limit is \$1,000. You request a cash advance for \$500, then your payment is \$75.00 per pay period, based on a two week pay cycle.

First America Credit -- How Long?

- $N = ???$
- $I\% = 240$ (20% per month)
- $PV = 550$ (500 plus 10% cash advance fee)
- $PMT = -75.00$
- $FV = 0$
- $P/Y = 26$
- Result $N = 12.80$ periods (about 6 months)

First America Credit – Last Payment?

- $N = 13$
- $I\% = 240$ (20% per month)
- $PV = 550$
- $PMT = -75.00$
- $FV = ???$
- $P/Y = 26$
- Result $FV = 14.71$
so last payment is $75.00 - 14.71 = \$60.29$

First America Credit – APR?

- $N = 13$
- $I\% = ???$
- $PV = 500$ (without the cash advance fee)
- $PMT = -75.00$
- $FV = 14.71$
- $P/Y = 26$
- Result $I\% = 288.56\%$

Student Loans

Wells Fargo Education ConnectionSM Loan (lowest interest rate example) With a 15 Year Repayment Plan

	Interest Paid During In-School	Interest Deferred During In-School
Principal Amount	\$10,200.00	\$10,200.00
Amount Disbursed To Borrower	\$10,000.00	\$10,000.00
Interest Paid During School	\$2,639.52	\$0
Interest Payment Am't	\$48.88	\$0
Monthly Payment	180 @ \$84.71	180 @ \$106.65
Finance Charge	\$7,684.99	\$0,197.00
Repayment Term (Months)	180	180
Origination Fee (Prepaid Finance Charge)	\$200.00	\$200.00
Interest Rate	5.75%	5.25%
Total Paid	\$17,884.99	\$19,197.00

- Amount disbursed: $10200 - \text{fee} = 10200 - 200 = 10000$
- Interest Payment Amount: $I = PRT = 10200 \times 0.0575 \times 1/12 = 48.88$
- Interest paid during school: $48.88 \times 54 = 2639.52$
- Monthly payment: $N = 180, I\% = 5.75, PV = 10200, FV = 0: PMT = 84.71$
- Final balance: $N = 180, I\% = 5.75, PV = 10200, PMT = -84.71: FV = 2.33$
- Total paid: $180 \times 84.71 - 2.33 + 2639.52 = 17884.99$
- Finance charge = $17884.99 - 10200 = 7684.99$ (omits prepaid charge)

Student Loan Effective Rate (In-school Interest Paid)

- Equations: $y = \left[10000 - \frac{48.88}{x/12} \right] \left[1 - \left(1 + \frac{x}{12} \right)^{54} \right] - 10000$
 $0 = \left[y - \frac{84.71}{x/12} \right] \left[1 - \left(1 + \frac{x}{12} \right)^{180} \right] - y$
- or Internal Rate of Return:
 $\text{irr}(10000, \{-48.88, -84.71\}, \{54, 180\}) \times 12$
- $x = 0.0597$, $y = 10055.50$
- Result 5.97%

Student Loans

Wells Fargo Education ConnectionSM Loan (lowest Interest Rate example) With a 15 Year Repayment Plan

	Interest Paid During In-School	Interest Deferred During In-School
Principal Amount	\$10,200.00	\$10,200.00
Amount Deferred To Borrower	\$10,000.00	\$10,000.00
Interest Paid During School	\$2,039.52	\$0
Interest Payment Amt	\$48.88	\$0
Monthly Payment	180 @ \$84.71	180 @ \$106.65
Finance Charge	\$7,044.99	\$0,197.00
Repayment Term (Months)	180	180
Origination Fee (Prepaid Finance Charge)	\$200.00	\$200.00
Interest Rate	5.75%	5.75%
Total Paid	\$17,884.99	\$19,197.00

- Amount disbursed: 10200 – fee = 10200 – 200 = 10000
- Principal at start of repayment: 10200 + 2639.52 = 12839.52
- Monthly payment: N 180, I% 5.75, PV 12839.52, FV 0: PMT 106.62
- Final balance: N 180, I% 5.75, PV 12839.52, PMT -106.65: FV 8.35
- Total paid: 180 x 106.65 = 19197.00 (8.35 credit ignored)
- Finance charge = 19197.00 – 10000 = 9197.00 (includes prepaid charge)

Student Loan (In-school Interest Deferred)

- Equations: $y = \left[10000 - \frac{0}{x/12} \right] \left[1 - \left(1 + \frac{x}{12} \right)^{54} \right] - 10000$
 $0 = \left[y - \frac{106.65}{x/12} \right] \left[1 - \left(1 + \frac{x}{12} \right)^{180} \right] - y$
- or Internal Rate of Return:
 $\text{irr}(10000, \{0, -106.65\}, \{54, 180\}) \times 12$
- $x = 0.0568$, $y = 12903.20$
- Result 5.68% (less than 5.75% quoted!)
- Deferred interest was simple interest!

Thank You!

- For copies of the slides, see:
<http://www.milefoot.com/about/presentations/APR.pdf>
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