

PAPER POWER



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BONUS MODULE #3

CALCULATING

FOR

SUCCESS



Bob Leonetti

The Financial Calculator

- Figure Payments
- Determine Yields to the Investor
- Find What's Owed on the Note
- Figure Partial & Splits
- Calculate Personal High Returns

We Recommend...

Hewlett Packard 10-B II

- Inexpensive
- Durable
- Reliable

Keys to Success

• Primary Keys

- Financial Row [N, I/YR, PV, PMT, FV]
- [+ / -] Key
- [RCL] Key

• Secondary Keys

- [XP/YR]
- [P/YR]
- [DISP]
- [BEG/END]
- [CLEAR ALL]

Parts of a Note

- Term (N)
- Interest Rate (I/YR)
- Present Value (PV)
(Loan Amount)
- Payment (PMT)
- Future Value (FV)

Canister Theory



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Sample Note

- \$100K @ 11.99% for 30 years
- 60 Month Balloon
- 28 Months Have Elapsed
- Seller Wants As Much as Possible
- Investor Wants a 15% Yield

Present Value of a Series of Payments Totalling \$100

The Value of Your Money

Loan Term in Years	2%	4%	6%	8%	10%	12%	14%	16%	18%	20%
1	\$98.93	\$97.93	\$96.93	\$95.93	\$94.79	\$93.65	\$92.51	\$91.37	\$90.50	\$89.56
2	\$97.95	\$96.95	\$95.95	\$94.95	\$93.81	\$92.67	\$91.53	\$90.39	\$89.52	\$88.58
3	\$96.98	\$95.98	\$94.98	\$93.98	\$92.84	\$91.70	\$90.56	\$89.42	\$88.55	\$87.61
4	\$96.03	\$95.03	\$94.03	\$93.03	\$91.89	\$90.75	\$89.61	\$88.47	\$87.60	\$86.66
5	\$95.09	\$94.09	\$93.09	\$92.09	\$90.95	\$89.81	\$88.67	\$87.53	\$86.66	\$85.72
6	\$94.16	\$93.16	\$92.16	\$91.16	\$89.99	\$88.85	\$87.71	\$86.57	\$85.70	\$84.76
7	\$93.24	\$92.24	\$91.24	\$90.24	\$89.07	\$87.93	\$86.79	\$85.65	\$84.78	\$83.84
8	\$92.34	\$91.34	\$90.34	\$89.34	\$88.17	\$87.03	\$85.89	\$84.75	\$83.88	\$82.94
9	\$91.45	\$90.45	\$89.45	\$88.45	\$87.28	\$86.14	\$85.00	\$83.86	\$82.99	\$82.05
10	\$90.57	\$89.57	\$88.57	\$87.57	\$86.40	\$85.26	\$84.12	\$82.98	\$82.11	\$81.17
15	\$86.33	\$85.33	\$84.33	\$83.33	\$82.16	\$81.02	\$79.88	\$78.74	\$77.87	\$77.03
20	\$82.36	\$81.36	\$80.36	\$79.36	\$78.19	\$77.05	\$75.91	\$74.77	\$73.90	\$73.06
25	\$78.64	\$77.64	\$76.64	\$75.64	\$74.47	\$73.33	\$72.19	\$71.05	\$70.18	\$69.34
30	\$75.15	\$74.15	\$73.15	\$72.15	\$70.98	\$69.84	\$68.70	\$67.56	\$66.69	\$65.85

Four Calculator Steps

- Figure PAYMENT
- Is there a BALLOON?
- Current BALANCE
- Investor's YIELD



Mandatory Steps for
Every Deal

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Preparation Tasks



*Hewlett Packard
10B II*

- Print & Read the Money Machine
- Learn the 5 Parts of a Note
- Perform the 4 Calculation Steps:
 - Calculate Payment
 - Calculate Balloon
 - Calculate Present Balance
 - Calculate Yield
- **Practice, Practice, Practice!**

