AN ACTUAL CREDIT UNION MEMBER'S ACCOUNT FROM A WASHINGTON, D.C., CREDIT UNION, ON AN AUTO-SECURED LOAN AT ½ OF 1 PERCENT PER MONTH, ON A DAILY BASIS[1]

Date	Number of days	Interest	Loan payment	Balance	Shares
1963—May 28				$2,000.00	$5
July 11	44	$14.68	$50.88	1,949.12	
Aug. 13	33	10.72	69.28	1,879.84	
Sept. 23	31	12.84	57.16	1,822.68	
Oct. 15	22	6.68	58.87	1,763.81	
Nov. 14	30	8.82	66.18	1,697.63	
Dec. 13	29	8.20	89.43	1,608.20	
1964—Jan. 15	33	8.84	59.36	1,548.84	
Feb. 17	33	8.52	56.48	1,492.36	
Mar. 13	25	6.21	58.79	1,433.57	
Apr. 15	33	7.88	57.12	1,376.45	
May 15	30	6.88	58.12	1,318.33	
June 15	31	6.81	55.55	1,262.78	
July 20	35	7.36	57.64	1,205.14	
Aug. 31	42	8.44	56.56	1,148.58	
Sept. 21	21	4.02	60.98	1,087.60	
Oct. 14	23	4.17	54.50	1,033.10	
Nov. 17	34	5.85	59.15	973.95	
Dec. 10	23	3.73	56.27	917.68	
1965—Jan. 13	34	5.12	59.88	857.80	
Feb. 15	33	4.41	60.59	797.21	
Mar. 17	30	3.54	61.46	735.75	
Apr. 2	16	1.96	63.04	672.71	
Apr. 28	26	2.91	62.09	610.62	
Total		158.59	1,389.38	31,223.75	

[1] $2,000 equals payable 36 payments times $55.55 plus interest at ½ of 1 percent per month on the unpaid balance.

Average monthly balance 2 years equals $\$1,299.73 = \frac{(31,223.75)}{(24)}$.

Average monthly interest paid over 2-year period equals $\$6.60 = \frac{(158.59)}{(24)}$.

True simple annual interest rate paid equals 6.093 percent $= \frac{(6.60)}{(1,299.73)}$.

If $1,299.73 was borrowed and retained by the borrower on a note at 6 percent for 2 years, the interest paid would be $155.97.

AN ACTUAL MEMBER'S ACCOUNT OF A WASHINGTON, D.C., CREDIT UNION, ON A SIGNATURE LOAN AT 1 PERCENT A MONTH ON THE UNPAID BALANCE ON DAILY BASIS

Date	Interest paid	Principal payment	Balance	Days	Dollar days
Aug. 12			$150.00	27	$4,050.00
Sept. 8	$1.00	$9.00	141.00	15	2,115.00
Sept. 23	.70	9.30	131.70	15	1,975.50
Oct. 8	.66	9.34	122.36	15	1,835.40
Oct. 28	.61	9.39	112.97	17	1,920.49
Nov. 9	.56	9.44	103.53	14	1,449.42
Nov. 23	.52	9.48	94.05	15	1,410.75
Dec. 8	.47	9.53	84.52	15	1,267.80
Dec. 23	.73	9.27	75.25	16	1,204.00
Jan. 8	.38	10.27	64.98	14	909.72
Jan. 22	.32	9.68	55.30	17	940.10
Feb. 8	.28	9.72	45.58	15	683.70
Feb. 23	.23	9.77	35.81	13	465.53
Mar. 8	.18	9.82	25.99	15	389.85
Mar. 23	.13	9.87	16.12	16	257.92
Apr. 8	.08	9.92	6.20	15	93.00
Apr. 23	.03	6.20	0.00		
Total	[1] 6.03	150.00		254	20,968.18

[1] Figure rounded to include 20-cent interest refund.

NOTES

Average daily balance equals $\frac{(20,968.18)}{(254)} = \$82.55$.

Average daily service charge equals $\frac{(6.03)}{(254)} = 0.2374$.

Annual interest rate charged equals $\frac{(0.2374 \times 365)}{(82.55)} = 10.49$ percent (annual rate)[a] (11.976 percent (without interest refund)).

[a] This gives consideration to a 12½ percent patronage refund, returned to member at yearend. If there had not been a refund the annual interest rate would have been 11.976 (at 1 percent a month on the unpaid balance charged).