Divide total of column F by total of column D and round to the nearest integer. This is the equivalent number of payments. (=26)

Step 3—Read down left hand column of the Defense Department Rate Table to number of payments found in Step 2. Read across to locate finance charge per $100 (step 1) and read up to find rate. (=11%)

Example 7a—Skipped payments with odd payments.

A farmer and his wife (who is a schoolteacher) in purchasing an automobile borrow $2786 for which the finance charge is $444.21, and the payment schedule is as follows:

Contract date—7/12/67
9 monthly payments of $50 each starting 10/3/67
1 monthly payment of $50 on 10/3/68
1 monthly payment of $550 on 11/3/68
7 monthly payments of $50 each starting 12/3/68
1 monthly payment of $50 on 10/3/69
1 monthly payment of $550 on 11/3/69
7 monthly payments of $50 each starting 12/3/69
1 monthly payment of $880.21 on 7/3/70

Form No. II

For all irregular cases not covered by Form No. I. Use in connection with Defense Department Rate Table.

Step 1—Move decimal 2 places to the left in the amount to be financed and divide it into the finance charge. This gives the finance charge per $100 of amount to be financed. (=$15.94)

Step 2—For each sub-schedule within the main schedule fill in the following:

(A) Initial period doubled, to nearest month	(B) Number of payments	(C) Amount of each payment	(D) Total amount of payments (B×C)	(E) Equivalent payments (A+B−2)	(F) (D×E)
5	9	$50	$450	12	$5,400
29	1	50	50	28	1,400
31	1	550	550	30	16,500
33	7	50	350	38	13,300
53	1	50	50	52	2,600
55	1	550	550	54	29,700
57	7	50	350	62	21,700
71	1	880	880	70	61,600
Total			$3,230		152,200

Divide total of column F by total of column D and round to the nearest integer. This is the equivalent number of payments. (=47)

Step 3—Read down left hand column of the Defense Department Rate Table to number of payments found in Step 2. Read across to locate finance charge per $100 (Step 1) and read up to find rate. (=7½%)

Example 8—Irregular single payments

An item priced at $400 is paid for by the following single payments, each payment due at the indicated time from contract date.

1 payment of $100.00 at 1 month 9 days.
1 payment of $100.00 at 2 months 1 day.
1 payment of $75.00 at 4 months 10 days.
1 payment of $65.00 at 5 months 9 days.
1 payment of $25.00 at 8 months 6 days.
1 payment of $51.83 at 10 months 8 days.

The total finance charge is $16.83. Find the annual rate.

Form No. II

For all irregular cases not covered by Form No. I. Use in connection with Defense Department Rate Table.