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. (=$4.21)

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)
3	1	$100	$100	2	$200
4	1	100	100	3	300
9	1	75	75	8	600
11	1	65	65	10	650
16	1	25	25	15	375
21	1	52	52	20	1,040
Total			417		3,165

Divide total of column F by total of column D and round to the nearest integer. This is the equivalent number of payments. (=8)

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 9—Add-on purchase

An item priced at $142 was added to an existing contract. In order to set a uniform total payment for the account over the next 12 months, the payments for this item were to be made as follows, each series beginning at the indicated time from contract date.

10 pmts. of $10.50 each, beginning at 1 month. Total, $105.
2 pmts. of $24.50 each, beginning at 11 months. Total, $49.

The finance charge is $12.00. 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.

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. (=$8.45)

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)
2	10	$10.50	$105	10	$1,050
22	2	24.50	49	22	1,078
Total			154		2,128

Divide total of column F by total of column D and round to the nearest integer. This is the equivalent number of payments. (=14)

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. (=13%)

Example 10—Multiple Disbursement Case

Disbursements:
 $100 on 5/1/67
 $300 on 6/1/67
 $600 on 9/1/67

Repayments: 12 of $90.02 each beginning 10/1/67.