

Disclosure: Statement by the creditor to the consumer of all terms relevant to a contract.

Dollar Add-on: The add-on rate expressed in terms of dollars per hundred dollars of the original amount of the principal per year, unless another time unit is specified.

Dollar Add-on per Contract: (1) The dollar add-on for the period beginning at contract date to maturity.

(2) For contracts with regular monthly pay periods $FC/\$100/\text{contract}$ equals $FC/\$100/\text{years}$ divided by 12 and multiplied by number of months in contract.

Dollar Add-on per Year: (1) A dollar add-on rate which makes explicit the time period otherwise assumed.

(2) For contracts with regular pay periods $FC/\$100/\text{year}$ equals the $FC/\$100/\text{contract}$ divided by the number of pay periods in a year and multiplied by the number of pay periods in the contract.

Dollars per Hundred per Year of the Average Unpaid Balance: Same as "Annual Percentage Rate" but expressed in dollar rather than percentage terms.

Due Date: A date upon which a payment is required under a loan contract.

Effective Interest Rate: Rate actually earned or paid, taking into account compounding during the year; the yield in contrast to nominal rate.

Equity: The value of the borrower's unencumbered investment in property.

Equivalent Annual Percentage Rate: The analyzed expression of the periodic rate, obtained by multiplying the periodic rate by the number of periods in a year.

Evidence: Document or record, as "evidenced by a note" or contractual agreement.

Face Amount of a Note: (1) The sum of money specified to be due or payable; if note bears interest, "face amount" includes interest accumulated at maturity.

(2) The cash advance plus finance charge.

Finance Charge: (1) All charges incident to the extension of credit.

(2) All charges related to the credit transaction, but not including charges for those goods and service the person as a cash customer of the credit vender, or nonborrower from the credit lender has the option of not procuring.

(3) H.R. 11601, section 202(d).

First Payment: The date specified in the contract for making the first payment. On monthly contract, the first payment is assumed to be one month from contract date.

Floor Planning: Plan of financing a dealer's stock of goods (particularly automobiles or electrical appliances).

Forbear: To avoid voluntarily.

Forbearance: A creditor's giving of indulgence after the day originally set for payment; an abstaining from the enforcement of a right.

Free Ride: The period of time during which as a result of options exercised by the obliger and extended by the creditor relieved the credit for that period from the imposition of a finance charge.

Garnishee: One garnished.

Garnishment: A proceeding whereby property, money or credits of a debtor in possession of another, the garnishee, are applied to the payment of the debts by means of process against the debtor and garnishee. It is a statutory proceeding and can only be resorted to where authorized. (4 Am. Jur. 553, 554; 38 C.J.S. 1)

Graduated Rate: See Step-rates.

Holder: The person who has legally acquired possession of a promissory note, by endorsement or delivery and who is entitled to receive payment of the instrument.

Holder in Due Course: A holder who has taken a note under the following conditions:

(a) Became holder of it before it was overdue, and without notice that it had been previously dishonored if such was the fact.

(b) That he took the note in good faith and for value, and that at the time it was negotiated to him he had no notice of defect in the title of the person who negotiated it.

Hypothecate: To give (personal property) in pledge as security for a debt.

Installment Credit: A form of contract credit with repayments made in installments.

Interest: The amount charged for the use of money or credit, calculated periodically on the principal outstanding.