

Amortization Calculations

The HP-12C calculator enables you to calculate the amounts applied toward principal and toward interest from a single loan payment or from several payments. It also calculates the remaining balance of the loan after the payment amortizations are made. To obtain an amortization schedule:

1)	Press f clear FIN to set all the financial registers to 0.
2)	Enter the periodic interest rate in percent, using i or g 12÷ .
3)	Enter the amount of the loan (the initial principal using PV (The sign of PV should be positive, in accordance with the cash flow sign convention).
4)	Key in the periodic payment amount and press CHS PMT to enter it (the sign of PMT must be negative, in accordance with the cash flow sign convention).
5)	Press g END or g BEG to set the payment mode.
6)	Key in the number of payments to be amortized.
7)	Press f AMORT to calculate and display the amount of the payments applied toward interest.
8)	Press x<y to display the amount of the payments applied toward the principal.
9)	To display the number of payments just amortized, press R↓ R↓ .
10)	To display the remaining balance of the loan, press RCL PV .
11)	To display the total number of payments amortized, press RCL n .

As a special feature, the RLM-12 Finance Center has an additional tool to calculate the entire amortization schedule at once. To show it, expand the calculator pressing the **OPT key and in the "Options Selection Menu", select the "[Amortization Table](#)" option.**

Example : Amortization Schedule

You can obtain a 25-year mortgage for \$250,000 at 5.25% annual interest. This requires payments of \$1,498.12 (at the end of each month). Find the amounts that would be applied to interest and to the principal from the first and second year's payments.

Keystrokes	Description
f clear FIN	Clears the Financial Registers.
Type "5.25" g 12÷	Stores the monthly interest rate percent. Result = 0.44
Type "250000" PV	Type the loan amount and store it in " PV " (Cash-In).
g END	Sets the payment mode to END.
Type "1498.12" CHS PMT	Type the monthly payment value, change the sign to negative and store it in " PMT " (Cash-Out).
Type "12" f AMORT	Calculates the amount of the first year payments applied to interest. Result = -13,006.53
x<y	Shows the amount of the first year payments applied to principal. Result = -4,970.91
RCL PV	Recall and display the remaining balance after the first year. Result = 245,029.09
RCL n	Total number of payments amortized. Result = 12
Type "12" f AMORT	Calculates the amount of the second year payments applied to interest. Result = -12,739.18
x<y	Shows the amount of the second year payments applied to principal. Result = --5,238.26
R↓ R↓	Number of payment just amortized. Result = 12
RCL PV	Recall and display the remaining balance after the second year. Result = 239,790.83
RCL n	Total number of payments amortized. Result = 24 (2 years)