

Amortization Calculations

The HP-12C calculator enables you to calculate the amounts applied towards principal and towards 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 clear all the financial registers to 0.
2)	Enter the number of payments or periods, using [n] or [g] [12x] .
3)	Enter the amount of the loan and press [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 PMT 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 towards interest.
8)	Press [X\rightleftharpoonsY] to display the amount of the payments applied towards principal.
9)	To display the number of payments just amortized, press [R\downarrow] [R\downarrow] .
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's 12C calculators have an additional tool to calculate the entire amortization schedule at once. To show it, press the **OPT** key and 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)