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⇋Y]** to display the amount of the payments applied towards 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]**.

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)