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Appendix B. Equivalent Effective Monthly and Annual Finance Rates Converted from Annual Add-On and Discount Rates for Selected Even Monthly Payment Contract Maturities

TABLE B-1
Equivalent Effective Annual Finance Rates for Selected Annual
Add-On Rates with Varying Contract Maturities and
Even Monthly Payments
(per cent)

Annual Add-On Rate	Annuity Method with Interest Compounded Annually (maturity in months)						Annuity Method with Interest Compounded Monthly (maturity in months)					
	6	12	18	24	30	36	6	12	18	24	30	36
4	6.82	7.30	7.44	7.49	7.51	7.51	7.05	7.55	7.68	7.76	7.78	7.78
4 1/2	7.67	8.20	8.36	8.41	8.42	8.41	7.94	8.52	8.69	8.74	8.76	8.74
5	8.52	9.10	9.27	9.32	9.33	9.31	8.86	9.50	9.67	9.73	9.73	9.67
6	10.21	10.90	11.08	11.12	11.11	11.08	10.72	11.46	11.67	11.72	11.71	11.66
7	11.89	12.67	12.86	12.91	12.89	12.84	12.55	13.45	13.68	13.71	13.69	13.62
8	13.60	14.46	14.65	14.68	14.63	14.54	14.44	15.45	15.68	15.71	15.67	15.52
9	15.28	16.24	16.42	16.43	16.36	16.25	16.39	17.49	17.72	17.73	17.61	17.45
10	16.94	17.98	18.17	18.16	18.06	17.92	18.20	19.53	19.77	19.75	19.64	19.45
11	18.62	19.72	19.91	19.87	19.74	19.57	20.27	21.54	21.84	21.77	21.62	21.41
12	20.29	21.46	21.65	21.58	21.42	21.20	22.29	23.70	24.03	23.84	23.65	23.39
13	21.94	23.17	23.36	23.26	23.05	22.80	24.33	25.78	26.09	25.89	25.64	25.33
14	23.62	24.91	25.07	24.94	24.70	24.41	26.37	27.95	28.30	28.02	27.74	27.35
15	25.27	26.63	26.76	26.58	26.29	25.98	28.41	30.16	30.31	30.07	29.73	29.33
17	28.57	30.02	30.11	29.84	29.47	29.06	32.63	34.48	34.62	34.33	33.77	33.22

(continued)

TABLE B-1 (concluded)

Annual Add-On Rate	Constant Ratio Method (maturity in months)						Effective Monthly Rates, Both Annuity Methods (maturity in months)					
	6	12	18	24	30	36	6	12	18	24	30	36
4	6.86	7.39	7.58	7.68	7.74	7.78	.57	.61	.61	.62	.63	.63
4 1/2	7.71	8.32	8.53	8.64	8.71	8.76	.64	.68	.70	.70	.70	.70
5	8.57	9.24	9.47	9.60	9.68	9.73	.71	.76	.77	.78	.78	.78
6	10.28	11.09	11.37	11.52	11.61	11.68	.85	.91	.92	.93	.93	.92
7	12.00	12.94	13.26	13.44	13.55	13.62	.99	1.06	1.07	1.08	1.07	1.07
8	13.71	14.79	15.16	15.36	15.48	15.57	1.13	1.21	1.22	1.22	1.22	1.21
9	15.43	16.64	17.05	17.28	17.42	17.51	1.27	1.35	1.37	1.37	1.36	1.35
10	17.14	18.49	18.95	19.20	19.35	19.46	1.41	1.50	1.51	1.51	1.51	1.49
11	18.86	20.34	20.84	21.12	21.29	21.41	1.55	1.64	1.66	1.66	1.65	1.63
12	20.57	22.19	22.74	23.04	23.26	23.35	1.69	1.79	1.80	1.80	1.79	1.77
13	22.28	24.04	24.63	24.96	25.16	25.30	1.83	1.93	1.95	1.94	1.92	1.90
14	24.00	25.89	26.53	26.88	27.10	27.24	1.97	2.08	2.09	2.08	2.06	2.03
15	25.71	27.73	28.42	28.80	29.03	29.19	2.11	2.22	2.23	2.22	2.19	2.17
17	29.14	31.43	32.21	32.64	32.90	33.08	2.38	2.50	2.51	2.49	2.46	2.42

TABLE B-2
 Equivalent Effective Annual Finance Rates for Selected Annual
 Discount Rates with Varying Contract Maturities and
 Even Monthly Payments
 (per cent)

Annual Discount Rate	Annuity Method with Interest Compounded Annually (maturity in months)						Annuity Method with Interest Compounded Monthly (maturity in months)					
	6	12	18	24	30	36	6	12	18	24	30	36
4	6.99	7.60	7.91	8.13	8.32	8.49	7.21	7.87	8.20	8.45	8.64	8.83
4 1/2	7.85	8.58	8.95	9.22	9.45	9.66	8.14	8.84	9.33	9.61	9.86	9.98
5	8.74	9.57	10.00	10.32	10.60	10.87	9.09	9.77	10.47	10.82	11.11	11.43
6	10.52	11.58	12.14	12.59	12.98	13.38	11.06	12.15	12.84	13.34	13.74	14.23
7	12.32	13.61	14.34	14.93	15.47	16.02	12.82	14.43	15.32	15.99	16.64	17.25
8	14.15	15.68	16.58	17.34	18.05	18.79	14.84	16.90	17.87	18.72	19.58	20.54
9	15.97	17.78	18.88	19.84	20.77	21.73	17.19	19.28	20.57	21.71	22.86	24.02
10	17.83	19.91	21.24	22.40	23.59	24.85	19.31	21.84	23.43	24.88	26.20	27.88
11	19.69	22.09	23.66	25.10	26.58	28.20	21.54	24.46	26.37	28.20	30.12	32.15
12	21.56	24.29	26.15	27.89	29.71	31.75	23.88	27.14	29.51	31.72	34.14	36.87
13	23.46	26.53	28.68	30.76	33.00	35.53	26.16	29.98	32.78	35.44	38.47	41.91
14	25.36	28.80	31.31	33.76	36.48	39.62	28.48	32.92	36.23	39.43	43.26	48.16
15	27.29	31.13	34.00	36.90	40.16	44.05	30.92	35.93	39.78	43.83	48.50	54.10
17	31.20	35.88	39.62	43.57	48.24	54.13	37.03	42.43	47.64	53.42	60.44	69.79

(continued)

TABLE B-2 (concluded)

Annual Discount Rate	Constant Ratio Method (maturity in months)						Effective Monthly Rates, Both Annuity Methods (maturity in months)					
	6	12	18	24	30	36	6	12	18	24	30	36
4	7.00	7.69	8.06	8.34	8.60	8.84	.58	.63	.66	.68	.69	.71
4 1/2	7.89	8.70	9.14	9.49	9.81	10.12	.65	.72	.74	.77	.79	.81
5	8.79	9.72	10.24	10.67	10.94	11.45	.73	.80	.83	.86	.87	.91
6	10.60	11.78	12.49	13.09	13.66	14.24	.88	.97	1.01	1.05	1.08	1.12
7	12.43	13.90	14.82	15.63	16.42	17.24	1.03	1.13	1.20	1.24	1.29	1.34
8	14.29	16.05	17.22	18.29	19.35	20.48	1.18	1.31	1.38	1.45	1.50	1.57
9	16.16	18.26	19.71	21.07	22.48	23.99	1.33	1.48	1.57	1.65	1.73	1.81
10	18.05	20.51	22.29	24.00	25.81	27.80	1.49	1.66	1.77	1.87	1.97	2.07
11	19.95	22.82	24.96	27.08	29.37	31.95	1.64	1.84	1.97	2.09	2.22	2.35
12	21.88	25.17	27.73	30.32	33.18	36.49	1.80	2.02	2.18	2.32	2.48	2.65
13	23.83	27.59	30.60	33.73	37.28	41.47	1.96	2.21	2.39	2.56	2.75	2.96
14	25.81	30.05	33.58	37.33	41.69	46.97	2.11	2.40	2.61	2.81	3.04	3.30
15	27.80	32.58	36.67	41.14	46.45	53.07	2.27	2.59	2.83	3.08	3.35	3.67
17	31.85	37.36	43.24	49.45	57.22	67.51	2.60	2.99	3.30	3.63	4.02	4.51