

A graphic with a blue and red background containing the text 'LESSON 8.1' in white.

Single-Payment Loans

Vocab:

Single-Payment Loan- a way to borrow money that you must pay back in one payment.

Promissory Note- a paper that says you will pay back the loan.

Maturity Value- what you pay back.

Term- time period for the loan.

Ordinary Interest- 360 day year

Exact Interest- 365 day year

**LESSON
8.1**
EXAMPLE 1

Anita Sloane's bank granted her a single-payment loan of \$7,200 for 91 days to pay for new merchandise for her candle shop. Determine the maturity value of the loan if the rate is (a) 6% ordinary interest or (b) 6% exact interest.

$$I = Prt$$

a)

$$I = (7200)(0.06)\left(\frac{91}{360}\right)$$

$$I = \$109.20$$

$$+ 7200$$

$$\boxed{\$7309.20}$$

b)

$$I = (7200)(0.06)\left(\frac{91}{365}\right)$$

$$I = \$107.70$$

$$+ 7200$$

$$\boxed{\$7307.70}$$

**LESSON
8.1**

Compute the (a) interest and (b) maturity value for each loan. Check your answers in the back of the book.

1. Parker Logan purchased a new surfboard costing \$600 and financed it at 9% ordinary interest for 90 days.

$$I = (600)(0.09)\left(\frac{90}{360}\right)$$

a) $I = \$13.50$

b)

	13.50
+	600.00
<hr/>	
	\$613.50

**LESSON
8.1**

Compute the (a) interest and (b) maturity value for each loan. Check your answers in the back of the book.

2. Holmes Ostendorf added a tack room to his barn costing \$4,850 financed at 7% exact interest for 120 days.

$$\begin{aligned} a) \quad I &= Prt \\ &= (4850)(0.07)\left(\frac{120}{365}\right) \end{aligned}$$

$$I = \$111.62$$

$$\begin{array}{r} b) \quad 111.62 \\ + 4850 \\ \hline \$4,961.62 \end{array}$$

**LESSON
8.1**

EXAMPLE 2 Algebra

Claudia Valdez took out a single-payment loan for \$1,500.00 at 7.8% ordinary interest to pay her federal income tax bill. If the loan's maturity value is \$1,529.25, when would Claudia have to pay back the loan if she took it out on March 1?

$$I = Prt$$

$$M.V. = I + P$$

$$360 \cdot 29.25 = (1500)(0.078) \left(\frac{t}{360} \right)$$

$$\frac{(1500)(0.078)}{(1500)(0.078)} = \frac{(1500)(0.078) \left(\frac{t}{360} \right)}{(1500)(0.078)}$$

$$1529.25 = I + 1500$$

$$\underline{-1500}$$

$$29.25 = I$$

$$90 = t$$

60th day
 + 90

 150th day

May 30th

LESSON
8.1

Complete the problem. Check your answer in the back of the book.

3. How long would it take a construction loan for \$548,048 to earn interest of \$50,000 at 9% exact interest?

$$I = Prt$$

$$\frac{365 \cdot 50000}{(548048)(0.09)} = \frac{(548048)(0.09)\left(\frac{t}{365}\right) \cdot 365}{(548048)(0.09)}$$

$$370 = t$$

days

Check Into Cash of Kansas, LLC Fee Schedule

Cash Needed	Fee Amount	Check Amount	Annual Percentage Rate*
\$ 50 ⁰⁰	\$ 7 ⁵⁰	\$ 57 ⁵⁰	391.07%
\$ 75 ⁰⁰	\$11 ²⁵	\$ 86 ²⁵	391.07%
\$100 ⁰⁰	\$15 ⁰⁰	\$115 ⁰⁰	391.07%
\$125 ⁰⁰	\$18 ⁷⁵	\$143 ⁷⁵	391.07%
\$150 ⁰⁰	\$22 ⁵⁰	\$172 ⁵⁰	391.07%
\$175 ⁰⁰	\$26 ²⁵	\$201 ²⁵	391.07%
\$200 ⁰⁰	\$30 ⁰⁰	\$230 ⁰⁰	391.07%
\$225 ⁰⁰	\$33 ⁷⁵	\$258 ⁷⁵	391.07%
\$250 ⁰⁰	\$37 ⁵⁰	\$287 ⁵⁰	391.07%
\$275 ⁰⁰	\$41 ²⁵	\$316 ²⁵	391.07%
\$300 ⁰⁰	\$45 ⁰⁰	\$345 ⁰⁰	391.07%
\$325 ⁰⁰	\$48 ⁷⁵	\$373 ⁷⁵	391.07%
\$350 ⁰⁰	\$52 ⁵⁰	\$402 ⁵⁰	391.07%
\$375 ⁰⁰	\$56 ²⁵	\$431 ²⁵	391.07%
\$400 ⁰⁰	\$60 ⁰⁰	\$460 ⁰⁰	391.07%
\$425 ⁰⁰	\$63 ⁷⁵	\$488 ⁷⁵	391.07%
\$450 ⁰⁰	\$67 ⁵⁰	\$517 ⁵⁰	391.07%
\$475 ⁰⁰	\$71 ²⁵	\$546 ²⁵	391.07%
\$500 ⁰⁰	\$75 ⁰⁰	\$575 ⁰⁰	391.07%

* Based on a fourteen (14) day advance with one (1) payment.

Your **One Stop Money Shop**

ELECTRONIC CHECK CONVERSION AND RETURN CHECK POLICY: When you provide a check as payment, you authorize us either to use information from your check to make one-time electronic funds transfer from your account or to process the payment as a check transaction. With electronic funds transfer the funds maybe withdrawn from your account as soon as the same day your payment is processed. Your check will not be returned to you by your financial institution. In the event we deposit your paper check and it is returned unpaid for insufficient or uncollected funds, we may re-present your check electronically. In the ordinary course of business, your check will not be provided to you with your bank statement, but a copy may be obtained by contacting your financial institution.

Customer Notice: A single payday advance is typically for two to four weeks. However, borrowers often use these loans over a period of months, which can be expensive. Payday advances are not recommended as long-term financial solutions.