APR FOR DEFERRED PRESENTMENT TRANSACTIONS

The Annual Percentage Rate (APR) as required by the Truth-In-Lending Act (TILA) for deferred presentment transactions is calculated by multiplying the interest rate for the term by the number of terms in a 365-day year, or symbolically:

(Interest Rate for the term) * (365/term in days)

For example, a 14-day deferred presentment loan at 17.5% interest has an APR of:

17.5% * (365/14) = 456.25%

A 15-day deferred presentment loan at 17.5% interest has an APR of:

17.5% * (365/15) = 425.83%

A 14-day deferred presentment loan at 15% interest has an APR of:

15% * (365/14) = 391.07%

A 15-day deferred presentment loan at 15% interest has an APR of:

15% * (365/15) = 365%

See Reg. Z, Appendix J(b)(5)(vii).