

**Loan\_db\_Manager**  
version 5.0w

by:

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## INTRODUCTION

Loan\_db\_Manager is a unique tool which has been designed to assist in both your loan management tasks, as well as your review of various loan options. The first step in using this application is the creation of the loan record database using the EDIT-option. The database may be as small as one record or may contain hundreds of records. Once the database has been established, the user may request a variety of reporting options.

The last record that was accessed in the EDIT-option is considered to be the 'active' record. This means that all reporting selections will use this 'active' record as the reportable record. If you wish to report on another database record, simply choose it from the <directory> selection under the FILE-option, or select the 'NEXT' button on the main screen to advance the record.

All reports will be shown in the 'Workspace' provided in the middle of the main screen. This 'Workspace' supports several features:

- The user may modify or customize the data reported in the workspace.
- The user may create both disk and printed reports from the workspace.
- The user may edit the workspace by simply pressing the <clear>, <cut>, <paste>, <copy>, or <delete> buttons.
- The workspace will hold up to a maximum of 64000 characters of information. If you exceed this limitation, simply clear the workspace and then create a new reportable selection.

## FILE

The FILE section provides the user the ability to maintain a database of Loan Records. Each database record contains information specific to a particular loan option. For example if you had three loans that you wished to either maintain or consider (i.e. a mortgage, a car loan, and a school loan), then you would establish three unique database records. The last record that was either created or modified will automatically become the 'active' record from which subsequent reporting will be driven.

Within the FILE section, there are four menu options: *Directory*, *Go to a Specific Record*, *Purge all Loan Records*, and *Exit*. These options are explained below:

### ***Directory***

This option displays a directory of valid database records, and allows the user to instantly go into the EDIT-mode by simply double-clicking the selected record.

### ***Go to Specific Record***

The user is prompted to enter the unique database record number that they wish to jump to within the EDIT-mode.

### ***Purge all Loan Records***

This option will purge/delete **ALL RECORDS** contained within the database. This action should only be done with great care! If you wish to delete only one individual database record, use the <delete> option found under the EDIT-mode.

### ***EXIT***

This option allows the user to exit Loan\_db\_Manager.

## DETAILS

The DETAILS section provides the user the ability to edit loan details, review the details of a specific loan, determine the estimated monthly payment amount, analyze Balloon payment effects, and estimate the remaining balance due on a loan.

Within the DETAILS section, there are five menu options: *Edit Records*, *Show Full Details*, *Show Payments*, *Balloon Payments*, and *Remaining Balance*. These options are explained below:

### ***Edit Records***

This option allows the creation, modification and deletion of database records. The user is also allowed to sequentially go both forward and backwards within the database by simply indicating which direction via the slider-bar.

To ADD a new record, first press the <add> button and then fill out the appropriate loan information.

To CHANGE/COMPLETE a record; after making the changes, press the <update> button.

To DELETE a record; simply press the <delete> button.

To use the CALCULATOR; press the <calculator icon>.

If you are finished entering information relative to the record, all you did to do, is to press the <ok> button. Else, if you wish to apply prepayments, simply press the <PrePayments> button.

*About PrePayments:* This is really the area where you can really save hugh amounts of money over the term of the loan. By applying extra payment during the life of a loan, you are in essence reducing the amount of interest that you will be charged. Since any extra payments (prepayments) will reduce the amount of principle on a loan, the savings in potential interest costs will be reduced immediately.

The PrePayment screen allow you to keep a month to month history of any prepayment (or lack thereof...), as well as a comment that can be attached to each payment. The amounts of each prepayment do not have to be the same, and can change from one month to the next. When finished applying the prepayments, press the <exit> button to return to the main menu.

***Show Full Details***

This option will display all core details about the active loan record. This information will include Title, principal, interest-rate, monthly payment amount, comments, the start date of the loan, and any applicable prepayment data.

***Show Payments***

This option will display a summary of the loan details, followed with an estimate of the monthly payment.

***Balloon Payment***

The user will be prompted for the number of payments required before the final Balloon Payment is due, along with the actual Balloon Payment amount. A summary of the loan details will be displayed, followed with a breakdown of the estimated cost of this Balloon Payment schedule.

***Remaining Balance***

The user will be prompted for the number of payments already paid. A summary of the loan details will be displayed, followed with a breakdown of the estimated balance still outstanding on the loan.

## REPORTS

The REPORTS section provides the user with five analytic reports which can assist in determining the structure, conditions, and history which make up the selected active loan.

Within the REPORTS section, there are nine menu options: *Yearly Amortization Schedule*, *Yearly Schedule*, *Cost of Loan*, *Equity vs. Balance*, *Mortgage Rate Comparison*, *PrePayment Analysis*, and *three Graph Options*.. These options are explained below:

### ***Yearly Amortization Schedule***

An Amortization report will be produced which reflects the payment number, date, principal amount, interest amount, prepayment amount, and the balance due. The user will be prompted with a message asking if they desire a report of just a single year, or a continuous report reflecting the entire loan period.

### ***Yearly Schedule***

The Yearly Schedule will provide an accumulative breakdown of each years Year-to-Date Interest, Principle Paid, Balance Remaining, and ending Loan number for the period.

### ***Cost of Loan***

This option will first display a summary of the loan details, followed with a breakdown of the estimated cost as defined as equal to the sum of the total payments minus the principal amount. This means that the cost is reported as the interest charges incurred during the life of the loan.

### ***Equity vs. Balance***

The user is first prompted for the number of payments already made, along with their estimate of the value of the asset being considered. The summary of the loan detail will first be displayed, followed with a breakdown of the payments already made and the balance due at that point in time. The Equity is then estimated as being the balance of the asset value minus the current balance due.

### ***Mortgage Rate Comparison***

This option displays a matrixed table of estimated monthly payment amounts by loan amount and interest rate. The current active database record is used as the middle value for both amount and rate.

### ***PrePayment Analysis***

This option estimates the amount of money that can be saved by prepaying a fixed amount of money over a specified duration of time. PrePaying on the loan amounts to reducing the actual principal amount each month and thereby reducing the interest charges. Working with this option can result in a surprisingly big savings over the course of a mortgage!

**Graphs**

Three pie chart graphs choices are provided:

*Cost of Loan* - shows the distribution of Interest and Principle

*Estimated Value* - shows the distribution of Equity to Remaining Loan Amount

*PrePayment Savings* - shows the distribution of Interest Paid and Saved, and Principle.



## **FINANCE**

The FINANCE section provides the user with the ability to do 'What if' type of analysis in several areas.

### ***Find Future Value***

This option determines the value of money at a future point in time. An example would be to determine the value of a fixed amount of money over a defined period with a given interest rate.

### ***Find Present Value***

This option determines the present value of money. An example of this would be in determining what the starting principal should be now, to achieve a defined future value.

### ***Find Interest Rate***

This option helps determine the interest rate, given the loan principal, term, and payment schedule.

## **OPTIONS**

The OPTIONS section provides the user with two primary features: One an automated process of registration, and second an another method of calling the system calculator.

### ***Registration***

This option will display a blank Registration Form which may be filled out with the applicable information. Once properly filled out, the user only needs to press the <print> button to get a hardcopy of the form on their printer. (Don't forget to turn the printer on!)

### ***Calculator***

This option will display the Windows Calculator in the center of the screen, allowing the user to do all required calculations within Loan\_db\_Manager.

## **HELP**

### ***Loan\_db\_Manager Help***

This option allows the user to display the Loan\_db\_Manager Help Instructions via the standard MS-Write application. You may also print out a hard copy using this same application.

### ***About***

Credits for Loan\_db\_Manager

### ***How to contact us:***

We may be reached at:

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