

(7) Symbols. The symbols used to express the terms of a transaction in the equation set forth in paragraph (b)(8) of this section are defined as follows:

A<sub>k</sub> = The amount of the kth advance.

q<sub>k</sub> = The number of full unit-periods from the beginning of the term of the transaction to the kth advance.

e<sub>k</sub> = The fraction of a unit-period in the time interval from the beginning of the term of the transaction to the kth advance.

m = The number of advances.

P<sub>j</sub> = The amount of the jth payment.

t<sub>j</sub> = The number of full unit-periods from the beginning of the term of the transaction to the jth payment.

f<sub>j</sub> = The fraction of a unit-period in the time interval from the beginning of the term of the transaction to the jth payment.

n = The number of payments.

i = The percentage rate of finance charge per unit-period, expressed as a decimal equivalent.

Symbols used in the examples shown in this appendix are defined as follows:

$\ddot{a}_x$  = The present value of 1 per unit-period for x unit-periods, first payment due immediately.

$$= 1 + \frac{1}{(1+i)} + \frac{1}{(1+i)^2} + \dots + \frac{1}{(1+i)^{x-1}}$$

w = The number of unit-periods per year.

I = w i x 100 = The nominal annual percentage rate.