

(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:

$$\begin{aligned} \overset{\bullet\bullet}{a}_{\overline{x}|} &= \text{The present value of 1 per unit-period for } x \text{ unit-periods, first payment due immediately.} \\ &= 1 + \frac{1}{(1+i)} + \frac{1}{(1+i)^2} + \dots + \frac{1}{(1+i)^{x-1}} \end{aligned}$$

- w = The number of unit-periods per year.
- I = w i x 100 = The nominal annual percentage rate.