



**Formula Used for calculating Rule of 78**

$$IR = \{ n ( n + 1 ) / [ N ( N + 1 ) ] \} \times TC :-$$

Where IR represents Interest Rebate due to the Hirer, n represents the unexpired period of hiring expressed in months; N represents the original hire period of hiring expressed in months; and TC represents the total amount of terms charges payable under this Hire Purchase Agreement.

For example, assume that the Balance Originally Payable is S\$67,500.00, the term is 7 years at 5% p.a and Term Charges are S\$17,500.00. If the Hirer repays the entire balance outstanding after making 24 instalments of S\$804.00 each punctually, the net balance payable will be S\$39,233.41

\* such amount exclusive of items 15 to 17, 21 and 22 (if applicable).

15. Early settlement fees (if any): 20% of Interest Rebate and 1.0% of the Finance Amount (i.e. Items 1 and 9 above less any deposit(s) paid).
16. Processing fees (if any): N.A.
17. Notice required (if any): 1 month's notice in writing or 1 month's interest in lieu thereof

ADDITIONAL CHARGES the owner will impose for assignment of right, title and interest under the hire-purchase to new owner:

18. The method of calculating the balance payable upon assignment:

The method for calculating the net balance payable\* upon such assignment is based on the **Rule of 78** formula and is as follows:

**Net Balance payable for Assignment = Balance Originally Payable less Instalment(s) paid less Interest rebate using Rule of 78 (the "Interest Rebate")**

**Formula Used for calculating Rule of 78**

$$IR = \{ n ( n + 1 ) / [ N ( N + 1 ) ] \} \times TC :-$$

Where IR represents Interest Rebate due to the Hirer, n represents the unexpired period of hiring expressed in months; N represents the original hire period of hiring expressed in months; and TC represents the total amount of terms charges payable under this Hire Purchase Agreement.

For example, assume that the Balance Originally Payable is S\$67,500.00, the term is 7 years at 5% p.a and Term Charges are S\$17,500.00. If the Hirer repays the entire balance outstanding after making 24 instalments of S\$804.00 each punctually, the net balance payable will be S\$39,233.41

\* such amount exclusive of items 19 to 22 (if applicable).

19. Processing fees (if any): 20% of Interest Rebate and 1.0% of the Finance Amount (i.e. Items 1 and 9 above less any deposit(s) paid).
20. Notice required (if any): 1 month's notice in writing or 1 month's interest in lieu thereof

INTEREST RATE the owner will impose for overdue instalments:

21. The interest rate charged will be (on the overdue amount): 10.5 % per annum or such other rates as may from time to time be determined by the Owner on overdue amount payable from the time of default up to the time of actual payment (as well after as before judgment) and late payment charge of S\$80.00 per overdue instalment.
22. Processing fees (if any): N.A.

Signature of Prospective Hirer

\_\_\_\_\_  
Name:  
NRIC No.