Explanation of a Standard Simple Interest Loan Calculation

Interest on your loan accrues daily. It is for this reason that the portion of your monthly payment allocated to interest may fluctuate. To calculate the interest due on your loan at any given time please follow the steps as listed below:

1. Obtain the current principal balance of your loan from our online account system or from your statement.
2. Multiply this principal balance by your interest rate. Divide the answer by 365 (days in the year) to find the daily interest accrual or per diem amount.
3. Multiply this amount by the number of calendar days that have passed since the date of the last payment to find interest amount due.

Below is an example of how to calculate this number and how the number of days between payments can affect your allocation:

1. $15,000 principal balance
2. $15,000 multiplied by 17.75% interest divided by 365 days = $7.29 per diem
3. $7.29 multiplied by 33 days elapsed since the date of last payment = $240.57. This portion of your payment will be allocated to interest accrued.

Now let us consider that only 26 days have elapsed between your payments.

1. $15,000 principal balance.
2. $15,000 multiplied by 17.75% interest divided by 365 days = $7.29 per diem
3. $7.29 multiplied by 26 days elapsed since the date of last payment = $189.54. This portion of your payment will be allocated to interest accrued.

In this example the difference of 7 days between payments affected the portion of the payment allocated to interest by $51.03.

The signed contract assumes that all payments are made on the same day (the due date) which would amortize the loan to a $0 balance on the date of final payment.

We value our customers and want to provide them with the best possible service. Please visit us at marineone.com or contact us at 1-800-262-8734 to speak with a Customer Service Representative.

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