

CALCULATION OF PRINCIPAL, INTEREST AND OTHER INCOME  
DUE FEDERAL GOVERNMENT FROM COLLECTIONS

For use by those institutions that have been in closing status for awhile and have repaid the initial bulk of interest to the Federal Government.

BASE DATA NEEDED

A. (Cumulative from the beginning of the program):

- 1. Federal Funds Received.....\$ \_\_\_\_\_
- 2. Institutional Contributions Deposited..... \_\_\_\_\_
- 3. Transfers from Scholarship Fund..... \_\_\_\_\_
- 4. Transfers to Scholarship Fund..... \_\_\_\_\_

B. (Current period data)

- 1. Loan Principal Collected..... \_\_\_\_\_
- 2. Interest Income Collected on Loans..... \_\_\_\_\_
- 3. Penalty Charges Collected on Loans..... \_\_\_\_\_
- 4. Investment Income..... \_\_\_\_\_
- 5. Institutional Repayment of Bad Debts, Principal..... \_\_\_\_\_
- 6. Institutional Repayment of Bad Debts, Interest..... \_\_\_\_\_
- 7. Institutional Repayment of Bad Debts, Penalty Charges..... \_\_\_\_\_
- 8. Collection Costs, Principal..... \_\_\_\_\_
- 9. Collection Costs, Interest..... \_\_\_\_\_
- 10. Litigation Costs, Principal..... \_\_\_\_\_
- 11. Litigation Costs, Interest..... \_\_\_\_\_
- 12. Credit Bureau Fees..... \_\_\_\_\_
- 13. Other Costs..... \_\_\_\_\_
- 14. Cash Balance End of Period Covered by this Report..... \_\_\_\_\_

Using the BASE DATA items above:

Step 1: Calculate the Federal Government's percentage contributed to the Fund:

$$\text{Federal percentage (F\%)} = \frac{A.1 + A.3 - A.4}{A.1 + A.2 + A.3 - A.4}$$

Step 2: Calculate the total amount due the Federal Government:

$$\text{Total Amount Due Federal Government} = \text{F\%} \times B.14$$

Step 3: Calculate the portion of the Total Amount Due Federal Government which is Other Income:

$$\text{Other Income} = \text{F\%} \times (B.3 + B.4 + B.7)$$

Step 4: Calculate the portion of the Total Amount Due Federal Government which should be Interest:

$$\text{Interest} = \text{F\%} \times (B.2 + B.6 - B.9 - B.11 - B.12 - B.13)$$

Step 5: Calculate the portion of the Total Amount Due Federal Government which should be principal:

$$\text{Principal} = \text{F\%} \times (B.1 + B.5 - B.8 - B.10)$$

NOTE: The results of Step 3, Step 4 and Step 5 when added together, should equal the result of Step 2.