

Exhibit 7: Interest Calculation Amortization Method – Multiple Payment (10/07/02)



Interest Calculation Amortization Method of Accounting

Application of Multiple Payments -- Computing each installment on outstanding principal

ASSUME: 14% mortgage; \$1,007.15 monthly constant, unpaid principal as of May 4, XXXX, \$84,930.08. Mortgage is current and payments are due the 1st of each month.

	Collections		Mortgage balance	Delinquent		Prepaid	
	Prin.	Int.		Prin.	Int.	Prin.	Int.
Beginning balance			84,930.08				
June payment	16.30	990.85	84,913.78				
No July payment			84,913.78	16.49	990.66		
No August payment			84,913.78	16.49	990.66		
September payments	16.49	990.66		(16.49)	(990.66)		
	16.49	990.66		(16.49)	(990.66)		
	16.49	990.66	84,864.31				
October payments	17.07	990.08	84,847.24				
	17.27	989.88	84,829.97			17.27	989.88
November payment	17.47	989.68	84,812.50			(17.27)	(989.88)
						17.47	989.68
No December payment			84,812.50			(17.47)	(989.68)
January payments							
Regular	17.67	989.48	84,794.83				
Curtailment	100.00		84,694.83				
February payment	19.04	988.11	84,675.79				



Application of Multiple Payments -- Computing each month in sequential increments

ASSUME: 14% mortgage; \$1,007.15 monthly constant, unpaid principal as of May 4, XXXX, \$84,930.08.
Mortgage is current and payments are due the 1st of each month.

	Collections		Mortgage	Delinquent		Prepaid	
	Prin.	Int.	balance	Prin.	Int.	Prin.	Int.
Beginning balance			84,930.08				
June payment	16.30	990.85	84,913.78				
No July payment			84,913.78	16.49	990.66		
No August payment			84,913.78	16.49	990.66		
September payments	16.49	990.66	84,897.29	(16.49)	(990.66)		
	16.68	990.47	84,880.61	(16.68)	(990.47)		
	16.88	990.27	84,863.73				
October payments	17.07	990.08	84,846.66				
	17.27	989.88	84,829.39			17.27	989.88
November payment	17.47	989.68	84,811.92			(17.27)	(989.88)
						17.47	989.68
No December payment			84,811.92			(17.47)	(989.68)
January payments							
Regular	17.68	989.47	84,794.24				
Curtailment	100.00		84,694.24				
February payment	19.05	988.10	84,675.19				