

## Question/Hypo (Submitted by Ashley Naporlee)

Here's a situation I'd like clarity on:

Borrower owes \$100/month. In January, makes a \$300 payment and by default the next payment due date advances to April, and the extra \$200 is applied to principle and/or any outstanding interest/fees. Borrower doesn't realize payment due date has been advanced (or doesn't understand the importance) and makes otherwise on time monthly \$100 payments in each of February and March.

Does the borrower NOT get any interest subsidy for February or March, despite having both made pre-payments to cover those months AND made additional full payments in each of those months?

Regards,  
Ashley