

## CAO Instruction 25

### A Basic Method for Calculating Interest on a Judgment

Step 1: Multiply \$ \_\_\_\_\_ [J] \_\_\_\_\_ X \_\_\_\_\_ [I] \_\_\_\_\_ % = [A]  
judgment amount interest rate annual amount  
of interest due

Step 2: Divide [A] by 365 = [DI] the daily interest amount

Step 3: Multiply the daily interest amount [DI] times the number of days since the date of judgment to determine the amount of interest owed.

Example: Judgment of \$2000; interest rate of 6% per year; 37 days since the date the judgment was entered.

1. \$2000 X .06 = \$120 annual interest
2. \$120/365 = \$.329 per day
3. \$.329 X 37 days = \$12.17 interest owed.

Each year, the legal rate of interest for an Idaho judgment is computed by the Idaho State Treasurer's Office, Idaho Code 28-22-104.

Click on:

<http://sto.idaho.gov/Reports/LegalRateOfInterest.aspx> for a report.