

**Lesson 7-B Name \_\_\_\_\_ Amortization & Mortgage – Monthly ANSWERS**

Months are all equal to one.	Loan Amount	Term Years	Interest Rate	Monthly Payments	Interest Paid	Principal Paid	Principal Balance	Total Interest Saved	
1	200,000	30	5.0%	\$1,073.64	\$833.33	\$240.31	\$199,759.69	None	
1	200,000	20	5.0%	\$1,319.91	\$833.33	\$486.58	\$199,513.42	Subtract 186,511.57 <u>116,778.75</u> \$69732.82	<i>Subtracting the 20year Interest from the 30</i>
1	200,000	15	5.0%	\$1,581.59	\$833.33	\$748.25	\$199,251.75	Subtract 116,778.75 <u>84,685.71</u> \$32,093.04	<i>Subtracting the 15 year interest from the 20</i>
1	24,000	5	4.0%	\$442.00	\$80.00	\$362.00	\$23,638.00	None	
1	100,000	20	5.0%	\$659.96	\$416.67	\$243.29	\$99,756.71	None	
Loan Amount	Term Years	Interest Rate	Monthly Payments	<i>Total Interest Paid After additional payments far right column</i>	Principle Paid	Make Additional Payments	Loan Reduced By Months	Total Interest Saved	
200,000	30	5.0%	\$1073.64	\$182,534.41	\$240.31	\$100, for 12 months	4 months	\$3977.15	
200,000	20	5.0%	\$1319.91	\$114,778.75	\$486.58	\$100, for 12 months	2 month	\$1958.86	

- 1) *Is it logical to finance over 30 years and make additional payments than 20 or 15 without additional payments?*
- 2) *Will the bank present to you a constant amount of payment after you sign your loan regardless of additional payments? May you make additional payments more and less than \$100?*
- 3) *Is it logical to make sure your payment amount is not to large for you to handle month to month?*
- 4) *Will other expenses include but not limited to: taxes, insurance, utilities, upkeep, repair, furniture, internet, entertainment, food, and clothing?*