

Name \_\_\_\_\_

## Mortgage Calculations

Use the loan calculator at [practicalmoneyskills.com/costofloan](http://practicalmoneyskills.com/costofloan) to help calculate the loan payments below. For all down payments, assume you put down 20%.

1. You purchase a home for \$79,900.
  - a. A 15-year mortgage term with a 3.5% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

- b. A 20-year mortgage term with a 4% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

- c. A 30-year mortgage term with a 5% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

2. You purchase a home for \$175,000.

a. A 15-year mortgage term with a 4% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

b. A 20-year mortgage term with a 4.75% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

c. A 30-year mortgage term with a 5.25% interest rate.

Down payment: \_\_\_\_\_

Amount of loan: \_\_\_\_\_

Number of months to payoff: \_\_\_\_\_

Minimum monthly payment: \_\_\_\_\_

Total finance charge (amount of interest paid): \_\_\_\_\_

Total payment amount: \_\_\_\_\_

3. What are the advantages/disadvantages of getting an adjustable rate mortgage (ARM) instead of a fixed rate mortgage?