

A Mortgage

Values used for the calculations

Purchase price of home	\$300,000
Down payment of 6.67%	\$20,000
Mortgage rate	4%
Mortgage term (in years)	25
Amount paid per \$1000	\$5.26

Summary

Initial mortgage amounts		Final mortgage amounts	
Principal	\$280,000	Total amount paid	\$441,840
Equity	\$20,000	Total interest paid	\$161,840
Outstanding balance	\$280,000		

Monthly Calculations

Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$1,472.80	Monthly payment	\$1,472.80
Interest portion of monthly payment	\$933.33	Interest portion of monthly payment	\$931.54
Principal portion of monthly payment	\$539.47	Principal portion of monthly payment	\$541.26
New outstanding balance	\$279,460.53	New outstanding balance	\$278,919.27
New equity	\$20,539.47	New equity	\$21,080.73

Amortization Table

Values used for the calculations	
Purchase price of home	\$300,000
Down payment of 6.67%	\$20,000
Mortgage interest rate	4%
Mortgage term (in years)	25
Amount paid per \$1000	\$5.26
Principal	\$280,000
Monthly payment	\$1,472.80

Number of Months	Monthly Payment	Interest portion of monthly payment	Principal portion of monthly payment	Outstanding Balance	Equity
0				\$ 280,000.00	\$ 20,000.00
1	\$ 1,472.80	\$ 933.33	\$ 539.47	\$ 279,460.53	\$ 20,539.47
2	\$ 1,472.80	\$ 931.54	\$ 541.26	\$ 278,919.27	\$ 21,080.73
3	\$ 1,472.80	\$ 929.73	\$ 543.07	\$ 278,376.20	\$ 21,623.80
4	\$ 1,472.80	\$ 927.92	\$ 544.88	\$ 277,831.32	\$ 22,168.68

Down Payment

Down payment of 5%

Values used for the calculations

Purchase price of home	\$300,000
Down payment of 5%	\$15,000
Mortgage rate	4%
Mortgage term (in years)	25
Amount paid per \$1000	\$5.26

Summary

Initial mortgage amounts		Final mortgage amounts	
Principal	\$285,000	Total amount paid	\$449,730
Equity	\$15,000	Total interest paid	\$164,730
Outstanding balance	\$285,000	Difference with lower down payment	\$2,890

Calculations

Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$1,499.10	Monthly payment	\$1,499.10
Interest portion of monthly payment	\$950.00	Interest portion of monthly payment	\$948.17
Principal portion of monthly payment	\$549.10	Principal portion of monthly payment	\$550.93
New outstanding balance	\$284,450.90	New outstanding balance	\$283,899.97
New equity	\$15,549.10	New equity	\$16,100.03

Down payment of 10%

Values used for the calculations

Purchase price of home	\$300 000
Down payment of 10%	\$30 000
Mortgage rate	4%
Mortgage term (in years)	25
Amount paid per \$1000	\$5.26

Summary

	Initial mortgage amounts		Final mortgage amounts
Principal	\$270,000	Total amount paid	\$426,060
Equity	\$30,000	Total interest paid	\$156,060
Outstanding balance	\$270,000	Difference with higher down payment	(\$5,780)

Calculations

	Details of first mortgage payment		Details of second mortgage payment
Monthly payment	\$1,420.20	Monthly payment	\$1,420.20
Interest portion of monthly payment	\$900.00	Interest portion of monthly payment	\$898.27
Principal portion of monthly payment	\$520.20	Principal portion of monthly payment	\$521.93
New outstanding balance	\$269,479.80	New outstanding balance	\$268,957.87
New equity	\$30,520.20	New equity	\$31,042.13

Interest Rate

6%

Values used for the calculations

Purchase price of home	\$300,000
Down payment of 6.67%	\$20,000
Mortgage interest rate	6%
Mortgage term (in years)	25
Amount paid per \$1000	\$6.40

Summary

Initial mortgage amounts		Final mortgage amounts	
Principal	\$280,000	Total amount paid	\$537,600
Equity	\$20,000	Total interest paid	\$257,600
Outstanding balance	\$280,000	Difference from the 4% interest rate	\$95,760

Calculations

Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$1,792.00	Monthly payment	\$1,792.00
Interest portion of monthly payment	\$1,400.00	Interest portion of monthly payment	\$1,398.04
Principal portion of monthly payment	\$392.00	Principal portion of monthly payment	\$393.96
New outstanding balance	\$279,608.00	New outstanding balance	\$279,214.04
New equity	\$20,392.00	New equity	\$20,785.96

8%

Values used for the calculations

Purchase price of home	\$300,000
Down payment of 6.67%	\$20,000
Mortgage interest rate	8%
Mortgage term (in years)	25
Amount paid per \$1000	\$7.63

Summary

Initial mortgage amounts		Final mortgage amounts	
Principal	\$280,000	Total amount paid	\$640,920
Equity	\$20,000	Total interest paid	\$360,920
Outstanding balance	\$280,000	Difference from the 4% interest rate	\$199,080

Calculations

Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$2,136.40	Monthly payment	\$2,136.40
Interest portion of monthly payment	\$1,866.67	Interest portion of monthly payment	\$1,864.87
Principal portion of monthly payment	\$269.73	Principal portion of monthly payment	\$271.53
New outstanding balance	\$279,730.27	New outstanding balance	\$279,458.74
New equity	\$20,269.73	New equity	\$20,541.26

Amortization Period

20 years	
Values used for the calculations	
Purchase price of home	\$300,000
Down payment of 6.67%	\$20,000
Mortgage interest rate	4%
Mortgage term (in years)	20
Amount paid per \$1000	\$6.04

Summary			
Initial mortgage amounts		Final mortgage amounts	
Principal	\$280,000	Total amount paid	\$405,888
Equity	\$20,000	Total interest paid	\$125,888
Outstanding balance	\$280,000	Difference with a 25-year term	(\$35,952)

Calculations			
Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$1,691.20	Monthly payment	\$1691.20
Interest portion of monthly payment	\$933.33	Interest portion of monthly payment	\$930.81
Principal portion of monthly payment	\$757.87	Principal portion of monthly payment	\$760.39
New outstanding balance	\$279,242.13	New outstanding balance	\$278,481.74
New equity	\$20,757.87	New equity	\$21,518.26

15 years

Values used for the calculations

Purchase price of home	\$300,000
Down payment	\$20,000
Mortgage interest rate	4%
Mortgage term (in years)	15
Amount paid per \$1000	\$7.38

Summary

Initial mortgage amounts		Final mortgage amounts	
Principal	\$280,000	Total amount paid	\$371,952
Equity	\$20,000	Total interest paid	\$91,952
Outstanding balance	\$280,000	Difference with a 25-year term	(\$69,888)

Calculations

Details of first mortgage payment		Details of second mortgage payment	
Monthly payment	\$2,066.40	Monthly payment	\$2,066.40
Interest portion of monthly payment	\$933.33	Interest portion of monthly payment	\$929.56
Principal portion of monthly payment	\$1,133.07	Principal portion of monthly payment	\$1,136.84
New outstanding balance	\$278,866.93	New outstanding balance	\$277,730.09
New equity	\$21,133.07	New equity	\$22,269.91