## Notebook Assignment

1. Find the monthly payments on the following mortgages:

   **a)** \$50,000 at 5.5% over 15 years

   **b)** \$85,000 at $6\frac{1}{2}\%$ over 25 years

   **c)** \$182,250 at $7\frac{1}{2}\%$ over 15 years

   **d)** \$78,380 at 6% over 10 years

2. Kevin McIlwraith is considering purchasing a condominium in North Vancouver for \$149,750. He has \$55,500 saved for a down payment. The credit union is offering him a mortgage at 5.5% over 20 years. Find his monthly payment including principal and interest.

3. A \$70,000 mortgage was offered by a loans officer at a rate of 6% over 20 years. How much interest would be paid over the life of the mortgage?

4. Create an amortization schedule showing the principal and interest over the first four months of an \$80,000 mortgage at $7\frac{1}{2}\%$ over 20 years, with a \$15,000 down payment. Assume monthly payments.

5. Explain why you might consider taking out a mortgage with a higher monthly payment over a shorter amortization period.

6. Pierre LaFrance is considering both a variable-rate and a fixed-rate mortgage. List two advantages to each. Which would you recommend, and why?

7. Sam Tamaki has two bank offers to consider for his \$105,500 mortgage. One option is at 7% over 20 years, while the other is at 6% over 25 years. Calculate the amount of interest he would pay over the life of each mortgage. Show which would be the better choice if payments are made monthly.

## Table 4 Amortization Table

### Blended Payment of Principal and Interest per $1,000 of Loan

| Interest Rate | 5 Years | 10 Years | 15 Years | 20 Years | 25 Years |
|---|---|---|---|---|---|
| 4.00% | 18.40 | 10.11 | 7.38 | 6.04 | 5.26 |
| 4.25 | 18.51 | 10.23 | 7.50 | 6.17 | 5.40 |
| 4.50 | 18.62 | 10.34 | 7.63 | 6.30 | 5.53 |
| 4.75 | 18.74 | 10.46 | 7.75 | 6.44 | 5.67 |
| 5.00 | 18.85 | 10.58 | 7.88 | 6.57 | 5.82 |
| 5.25 | 18.96 | 10.70 | 8.01 | 6.71 | 5.96 |
| 5.50 | 19.07 | 10.82 | 8.14 | 6.84 | 6.10 |
| 5.75 | 19.19 | 10.94 | 8.27 | 6.98 | 6.25 |
| 6.00 | 19.30 | 11.07 | 8.40 | 7.12 | 6.40 |
| 6.25 | 19.41 | 11.19 | 8.53 | 7.26 | 6.55 |
| 6.50 | 19.53 | 11.31 | 8.66 | 7.41 | 6.70 |
| 6.75 | 19.64 | 11.43 | 8.80 | 7.55 | 6.85 |
| 7.00 | 19.75 | 11.56 | 8.93 | 7.70 | 7.00 |
| 7.25 | 19.87 | 11.68 | 9.07 | 7.84 | 7.16 |
| 7.50 | 19.98 | 11.81 | 9.21 | 7.99 | 7.32 |
| 7.75 | 20.10 | 11.94 | 9.34 | 8.13 | 7.47 |
| 8.00 | 20.21 | 12.06 | 9.48 | 8.28 | 7.63 |
| 8.25 | 20.33 | 12.19 | 9.62 | 8.43 | 7.79 |
| 8.50 | 20.45 | 12.32 | 9.76 | 8.59 | 7.95 |
| 8.75 | 20.56 | 12.45 | 9.90 | 8.74 | 8.12 |
| 9.00 | 20.68 | 12.58 | 10.05 | 8.89 | 8.28 |
| 9.25 | 20.80 | 12.71 | 10.19 | 9.05 | 8.44 |
| 9.50 | 20.91 | 12.84 | 10.33 | 9.20 | 8.61 |
| 9.75 | 21.03 | 12.97 | 10.48 | 9.36 | 8.78 |
| 10.00 | 21.15 | 13.10 | 10.62 | 9.52 | 8.94 |
| 10.25 | 21.27 | 13.24 | 10.77 | 9.68 | 9.11 |
| 10.50 | 21.38 | 13.37 | 10.92 | 9.84 | 9.28 |
| 10.75 | 21.50 | 13.50 | 11.06 | 9.99 | 9.45 |
| 11.00 | 21.62 | 13.64 | 11.21 | 10.16 | 9.63 |
| 11.25 | 21.74 | 13.77 | 11.36 | 10.32 | 9.80 |
| 11.50 | 21.86 | 13.91 | 11.51 | 10.48 | 9.97 |
| 11.75 | 21.98 | 14.04 | 11.66 | 10.65 | 10.14 |
| 12.00 | 22.10 | 14.18 | 11.82 | 10.81 | 10.32 |
| 12.25 | 22.22 | 14.32 | 11.97 | 10.98 | 10.49 |
| 12.50 | 22.34 | 14.46 | 12.12 | 11.14 | 10.67 |
| 12.75 | 22.46 | 14.59 | 12.28 | 11.31 | 10.85 |
| 13.00 | 22.58 | 14.73 | 12.43 | 11.48 | 11.02 |
| 13.25 | 22.70 | 14.87 | 12.59 | 11.64 | 11.20 |
| 13.50 | 22.82 | 15.01 | 12.74 | 11.81 | 11.38 |
| 13.75 | 22.94 | 15.15 | 12.90 | 11.98 | 11.56 |
| 14.00 | 23.07 | 15.29 | 13.06 | 12.15 | 11.74 |
| 14.25 | 23.19 | 15.43 | 13.21 | 12.32 | 11.92 |
| 14.50 | 23.31 | 15.58 | 13.37 | 12.49 | 12.10 |
| 14.75 | 23.43 | 15.72 | 13.53 | 12.67 | 12.28 |
| 15.00 | 23.56 | 15.86 | 13.69 | 12.84 | 12.46 |