

Name: _____ Class: _____ Date: _____

East High School - Home Maintenance and Repair – Mr. Poliszuk

How to Calculate Your Mortgage Payment

Mortgage Payment = Principal, Interest, Property Taxes, and House Insurance

Learning Target: I can calculate and compare the differences between a 30-Year Mortgage and a 15-Year Mortgage, using information from a home currently for sale on the MLS, and choose and explain which mortgage would be most beneficial for myself and my potential family.

New Terms














Mortgage - _____

Principal - _____

Interest - _____

Property Taxes - _____

House Insurance - _____

30-Year Mortgage	
Pros	Cons
  	  
15-Year Mortgage	
Pros	Cons
   	  

Let's Buy a House!!

Street Address: _____ Asking Price: \$ _____ Size (sq-ft): _____

Total Taxes: \$ _____ /year # Bedrooms: _____ # Bathrooms: _____

HVAC Type: _____ Heating Fuel Description: _____

Sewer Description: _____ Assessed Value: \$ _____

Let's determine how much our monthly mortgage would cost per month and the breakdown of different factors that determine that monthly payment. Go to www.mlcalc.com to access your mortgage calculator.

30-Year Mortgage	15-Year Mortgage
Purchase Price: \$ _____ Down Payment: 20% = _____ Interest Rate: 3.5% Property Taxes: \$ _____ per year Property Insurance: \$500 per year HOA Fees: \$0 PMI: \$0	Purchase Price: \$ _____ Down Payment: 20% = _____ Interest Rate: 2.75% Property Taxes: \$ _____ per year Property Insurance: \$500 per year HOA Fees: \$0 PMI: \$0
How much is your monthly payment? \$ _____	How much is your monthly payment? \$ _____
How much is your principal and interest? \$ _____	How much is your principal and interest? \$ _____
How much in taxes? \$ _____ How much in insurance? \$ _____	How much in taxes? \$ _____ How much in insurance? \$ _____
How much will you pay in interest total for the life of the loan? _____	How much will you pay in interest total for the life of the loan? _____
Compare your monthly payments between a 30-year loan and a 15-year loan. How much more per month is your mortgage using a 15-Year loan? \$ _____	
Compare the interest spent over a 30-year term and 15-year term. How much money in interest will you save with a 15-year loan? \$ _____	

Let's Buy a House!!

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PMI: \$0	PMI: \$0
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What is the correlation between **time** and **interest**?

When purchasing a home, would you rather use a 30-Year Mortgage or a 15-Year Mortgage? Why?
