

Mr. Kaufman: Mortgage Test 2 Review – Amortization and 8.5,
Example 6

1) You buy a house for \$205,000 and make a downpayment of 22%. The house is currently valued at \$222,500 and you have paid \$16,000 of the mortgage. What is your equity? **78,600.00**

2) Linda wants to purchase a Leisure Heights condominium apartment. She will borrow \$100,000 from the Dutchess Savings Bank. The bank is presently offering a 30 year fixed rate mortgage with an APR of 7.1 percent. Her monthly maintenance fee will be \$310. What is the monthly mortgage payment to the nearest cent?
672.03

3) What will be her combined monthly payment for 2)? **982.03**

4) Ethel rented an apartment from a landlord in Sullivan County. Her rent was \$1,755 per month until she moved out last week. The new tenants pay \$1,915 per month. Calculate the percent change to the nearest tenth of a percent. **9.1%**

5) The Tensers bought a mobile home for \$117,352. If they put a down payment of 37% on the trailer.

a) How much must they borrow? **73,931.76**

b) The Tensers take out a 15 year mortgage at an APR of 5.13 percent, what will the monthly payment be to the nearest cent?
589.67

6) Rob has been approved for a \$275,000 15-year mortgage with an APR of 5.9 percent. Using the mortgage and interest formulas, prepare a 2 month amortization schedule.

Ending Principal: Payment #1 - \$274,046.30

Ending Principal: Payment #2 - \$273,087.91

7) You have a 25 year mortgage that has a balance of \$255,000

after 3 years . The APR increases to 4.3%. Calculate the amortization for the next 2 months.

Ending Principal: Payment #1 - \$254,418.38

Ending Principal: Payment #2 - \$253,834.68