



Activity C

Mortgages

02.03.02

name: _____ date: _____

A. Go to this Web site.
www.BMO.com → Personal Finances → Mortgages → Calculators → Payment Calculator

B. Fill in the blanks in the chart below using the payment calculator.

	INTEREST RATE (%)	FREQUENCY OF PAYMENTS	MORTGAGE AMOUNT	AMORTIZATION PERIOD (# OF YRS)	PAYMENT
1	7	monthly	100,000	20	
2	7	monthly	100,000	30	
3	5	monthly		25	\$700.00
4	7	monthly		25	\$700.00
5	7	monthly	100,000		\$700.00
6	7	bi-weekly	100,000		\$350.00

C. Answer the following questions based on the information from the chart in B:

1. What is the total cost of each mortgage in #1 and #2?

20 year— _____ 30 year— _____

What are the advantages and disadvantages of each?

AMORTIZATION	ADVANTAGES	DISADVANTAGES
20 YEARS		
30 YEARS		

2. What is the difference in the amount of mortgage you can get based on the differing interest rates in #3 and #4?

Difference _____

3. What is the difference in the length of each mortgage in #5 and #6?

Difference _____

Why? _____