

MM150

Unit 6: Comparing Mortgage Options

Example of Post 2: Reply to a Classmate

What a beautiful home! That's a huge amount of interest, though. Let's see how much you could save by choosing a 15-year mortgage.

The current interest rate on a 15-year mortgage is 2.63%. [Include URL]

Assuming you put down the same 20% and have a mortgage amount of \$291,920, and using the payment calculator, the monthly payment will be **\$1964.41**.

$$\$1964.41 * 12 \text{ months} * 15 \text{ years} = \$353,593.80$$

$$\text{Total interest paid: } \$353,593.80 - \$291,920.00 = \mathbf{\$61,673.80}$$

Interest on 30-year mortgage: \$165,442.00

Interest on 15-year mortgage: \$61,673.80

Difference: **\$103,768.20**

Choosing a 15-year mortgage will cost about \$700 more each month, but over the life of the loan, you'll save almost \$104,000 in interest!