**Loans & Mortgages Assignments**

Assignment 1- Credit and Loans

How much will your car payment be?

Use the [Car Loan Calculator](http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx) to do the following:

1. Choose a car you might like to buy and find the price.

2. Enter the price and use a 7% interest rate for 5 years. Now, try a 11% interest rate for 5 years.

What is the difference in payments?

Now, use the [Mortgage Calculator](http://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx).

3. Find out your monthly payment for a house worth $200,000 at 8% interest for 30 years. Also, find

the total amount of interest being paid over the life of the loan (click on the button "Show/ Recalculate

Amortization Table)

4. Change the interest rate to 5%. What is the new payment? What is the total interest paid?

5. Change the years to 15 and keep 5%. What is the payment and total interest paid.

6. What is the difference in interest paid from question 4 and 5?

Type the questions and answers in a word document and follow your teacher’s instructions for

submitting your work.