

LESSON 15: Buying a Home



Money Mastermind Lesson 15, Worksheet 2:

Home Sweet Mortgage

It's time to find your dream home—but don't forget, you will need a way to pay for it too. Let's look into what an ideal home in your area costs and explore the differences in payment amounts across a variety of mortgages.

Imagine that you would like to purchase a \$275,000 home. Using 20% as a down payment (or \$55,000), determine the monthly mortgage payment for your dream home using the loan terms below. Hint: Read the Loan Calculator tip at right for a tool that will help you make the calculations.

A. 15-year mortgage term with a 3% interest rate
Total Amount Paid Over Loan Term: _____
Minimum Monthly Payment: _____

B. 20-year mortgage term with a 6% interest rate
Total amount paid over loan term: _____
Minimum Monthly Payment: _____

C. 30-year mortgage term with a 5% interest rate
Total Amount Paid Over Loan Term: _____
Minimum Monthly Payment: _____

Which mortgage would you choose and why?