**Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Marketing 5.2 Activity 2**

*Instructions:* [***Click here***](https://www.bankrate.com/calculators/mortgages/loan-calculator.aspx) *open the link for a Loan Calculator to calculate all necessary values below.*

**Part 1 – Home Loan
1. Home loan for $185,000 for 30 years at 8.5%**

 \*Open Amortization Schedule for Total Interest Paid.

 \*\*Add up Loan Balance and Total Interest Paid.

Monthly Payment \*Total Interest Paid \*\*Total Amount Paid Back

1422.49 327,096.38 185,000 + 327,096.38 = 512,096.38

**2. Calculate the monthly payments and total interest paid if the interest**

**rate is 3% *higher* on each loan.** (8.5% + 3% = **11.5%)**

Monthly Payment Total Interest Paid Total Amount Paid Back

\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

**3. Calculate the monthly payments and total interest paid if the interest**

**rate is 2% *lower* on each loan.** (8.5% - 2% = **6.5%)**

Monthly Payment Total Interest Paid Total Amount Paid Back

\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

**Part 2 - Car Loan**

**1. Car loan for $12,800 for 4 years at 12%**

 \*Open Amortization Schedule for Total Interest Paid.

 \*\*Add up Loan Balance and Total Interest Paid.

Monthly Payment Total Interest Paid Total Amount Paid Back

337.07 3,379.51 12,800 + 3,379.51 = 16,179.51

**2. Calculate the monthly payments and total interest paid if the interest**

**rate is 3% *higher* on each loan. 15%** (12% + 3% = **15%**)

Monthly Payment Total Interest Paid Total Amount Paid Back

\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_

**3. Calculate the monthly payments and total interest paid if the interest**

**rate is 2% *lower* on each loan.** (12% - 2% = **10%**)

Monthly Payment Total Interest Paid Total Amount Paid Back

\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_