19. ***A 30-Year Conventional Mortgage*** Ingrid Holzner obtains a 30-year, $63,750 conventional mortgage at 8.5% on a house selling for $75,000. Her monthly payment, including principal and interest, is $490.24. She pays 0 points.

a) Determine the total amount Ingrid will pay for her house.

b) How much of the cost will be interest?

c) How much of the first payment on the mortgage is applied to the principal?

a) $490.24(360) = 176486.40$ P/I

$75000 - 63750 = +11250$ DP

0 Points

187736.40

b) $- 75000$ Price of house

112736.40 Interest

c) $I = 63750(.085)\left(\frac{1}{12}\right) = -451.56$ I

490.24 P/I

38.68 P

20. *A 25-Year Conventional Mortgage* Mr. and Mrs. Alan Bell obtain a 25-year, $110,000 conventional mortgage at 10.5% on a house selling for $160,000. Their monthly mortgage payment, including principal and interest, is $1038.40. They also pay 2 points at closing.

a) Determine the total amount the Bells will pay for their house.

b) How much of the cost will be interest (including the 2 points)?

c) How much of the first payment on the mortgage is applied to the principal?

$110000(.02) = 2200$

a) $1038.40(300) = 311520$ PI

50000 DP

2200 pts

363720

$- \quad 160000$

b) 203720 Int

1038.40

c) $I = 110000(.105)\left(\frac{1}{12}\right) = -962.50$ Int

75.90 Principal

.0

Table 11.5 Amortization Schedule

Annual % Rate: 7.0
Loan: $211,650
Periods: 360

Monthly Payment: $1408.11
Term: Years 30, Months 0

Payment Number	Interest	Principal	Balance of Loan
1	$1234.62	$173.49	$211,476.51
2	$1233.61	$174.50	$211,302.01
3	$1232.60	$175.52	$211,126.49
4	$1231.57	$176.54	$210,949.95
11	$1224.24	$183.88	$209,684.99
12	$1223.16	$184.95	$209,500.04
119	$1063.49	$344.62	$181,968.54
120	$1061.48	$346.63	$181,621.91
239	$715.54	$692.57	$121,972.22
240	$711.50	$696.61	$121,275.62
359	$16.29	$1391.83	$1,399.95
360	$8.17	$1399.95	$0.00