

Borrowing and Loans

You borrow \$18,000 with a term of four years at an APR of 5% to buy a truck. What is your monthly payment? How much total interest is paid?

You find that the going rate for a home mortgage with a term of 30 years is 6.5% APR. The lending agency says that based on your income, your monthly payment can be at most \$750. How much can you borrow?

Suppose we borrow \$1500 at 4% APR and pay it off in 24 monthly payments. Make an amortization table showing payments over the first three months.

Payment number	Payment	Applied to Interest	Applied to Balance Owed	Outstanding Balance
				\$1500
1				
2				
3				
