Mortgage Calculator Assignment

Once you’ve created your Excel spreadsheet for an amortization table, use it to estimate the following values and use your TVM solver to calculate exact values. Show TVM entries and all calculations.

1. For a $375 000 house with a 5% down payment, 3.5% interest rate and a 25-year amortization…
   1. How much would the monthly payment need to be?
   2. How much interest would be saved if you added $200 per month?
   3. How much faster would the loan be paid off if instead you negotiated an interest rate of 3.35%
   4. How much less interest would you pay if you did both b) and c), and how much faster would you pay off the mortgage?
2. For a $730 000 house with a 20% down payment, 2.95% interest rate and a 25-year amortization…
   1. How much would the monthly payment need to be?
   2. Using only your TVM solver, calculate how much faster you could pay off the mortgage by paying half the monthly payment from a) every two weeks instead.
   3. If instead of the minimum monthly payment, you decide to pay $3500 per month, what is the new amortization period of the mortgage?
   4. Calculate the savings in interest if a 25% down payment were made on the purchase of the house instead of the 20% indicated above.