

Teacher: Mrs. Roen

Unit: Annuities and Mortgages

Course: MAP 4C

Lesson: 6 – 7 Using Spreadsheets to Create Amortization Tables

◆ **Homework Check:** Lesson 6 - 7

◆ **Note:** Using Spreadsheets to Create Amortization Tables

We are going to use Microsoft Excel and the website <http://www.wikihow.com/Prepare-Amortization-Schedule-in-Excel> to carefully work through and create our own amortization table. Once the table is created, use it to complete the homework questions. Be sure to save your work as you go being sure not to lose any progress.

◆ **Homework:** Lesson 6 - 7

Lesson 6- 7:

1. Use your amortization table to complete the table.

Principal Borrowed	Interest Rate	Amortization Period	Monthly Payment
\$100 000	5.25%	15 years	
156 000	6.75%	25 years	
215 000	3.9%	20 years	
230 000	4.8%	30 years	

2. Anita and Kenny are arranging a mortgage for their new home. They will be taking out a \$225 000 mortgage at 5% per year compounded semi-annually for 25 years. They will repay the mortgage with monthly payments.

- a) Use your excel spreadsheet to determine the monthly payment.
- b) What is the equivalent monthly interest rate?
- c) What is the total interest paid over the life of the mortgage?

3. Claude purchases a home for \$250 000 with a \$25 000 down payment. He arranges a mortgage for the outstanding balance with monthly payments for 25 years at 6.5% per year compounded semi-annually/

- a) Use your excel spreadsheet to determine the monthly payment.
- b) How much principal is paid down in the first 6 months?
- c) What percentage of the total paid is interest?

4. The Ungers arrange a mortgage for a new home for \$325 000 at 4.9% compounded semi-annually to be repaid monthly over 25 years.

- a) Use your excel spreadsheet to determine the monthly payment.
- b) What percentage of the 60th payment is interest?
- c) What percentage of the total paid is interest?

5. What are you noticing overall at the cost of getting and paying for a mortgage? Be as specific as you can.