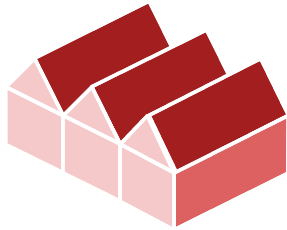


Handout B - Answer Key

How much is this house



Payment: \$500 each month

Mortgage Loan is for 30 years.

One year has 12 months

30 years have 360 months

1. How much do you pay in 1 year?

$$\mathbf{\$500 \times 12 = \$6,000}$$

2. How much do you pay in 10 years?

$$\mathbf{\$6,000 \times 10 = \$60,000}$$

3. How much do you pay in 20 years?

$$\mathbf{\$6,000 \times 20 = \$120,000}$$

4. What is the total cost of this house in mortgage payments?

$$\mathbf{\$180,000}$$

5. If the original price of the house was \$100,000, how much did you pay in interest?

$$\mathbf{\$180,000 - \$100,000 = \$80,000}$$

