Loan Terms Analyzer

Compare 36, 60, and 72 Month Loan Options

{{STATE_NAME}}

Loan Parameters

Loan Amount ($)

26000

Option A: 36-month APR (%)

5.5

Option B: 60-month APR (%)

6.0

Option C: 72-month APR (%)

7.5

Option A: 36 Months

$785

Monthly Payment

Total Interest	$2,263
Total Paid	$28,263
Underwater Period	~6 months

Option B: 60 Months

$503

Monthly Payment

Total Interest	$4,159
Total Paid	$30,159
Underwater Period	~18 months

Option C: 72 Months

$450

Monthly Payment

Total Interest	$6,367
Total Paid	$32,367
Underwater Period	~30 months

Year-by-Year Equity Analysis

Year	Vehicle Value	Option A Balance	Option A Equity	Option B Balance	Option B Equity	Option C Balance	Option C Equity
Year 1	$24,310	$17,804	$6,506	$21,403	$2,907	$22,435	$1,875
Year 2	$20,592	$9,146	$11,446	$16,523	$4,069	$18,592	$2,000
Year 3	$18,304	$0	$18,304	$11,341	$6,963	$14,452	$3,852
Year 4	$16,016	$0	$16,016	$5,840	$10,176	$9,990	$6,026

Key Insights

- Option A saves **$4,104** in total interest compared to Option C
- Option C monthly payment is **$336** less than Option A
- Option A builds positive equity in **~6 months**; Option C takes **~30 months**
- If you need to sell at year 3, Option A gives you **positive equity**, Option C may leave you **underwater**

Opportunity Cost Analysis

If you can afford Option A's payment ($785/mo) but choose Option C ($450/mo), the difference is:

$336/month

Invested at 7% annual return for 6 years, this difference would grow to approximately:

$$29,918

This represents the "opportunity cost" of choosing lower payments but investing the difference wisely.