Kelsey Berta

Econ 255

This project studied purchasing a house and putting down a down payment and how big the down payment and interest rate are and how they affect the periodic payment. The model that we have done studies spending a little less and saving a little more. This is more of paying more against debt. By doing this project we study how purchasing a house at a certain price shows you how much extra money you would have. By saving more and spending less on the house you are able to use that money for something else. By not paying off the house immediately or spending as much money on the house you could invest money in the stock market or bonds and create more money that way. This also helps so when you need money you have it. Some expenses you could avoid overtime to save a little more would be car payments and keeping your credit up. And with the remodel we are able to identify how beneficial it could be to refinance. During times of crisis or in need you can refinance your home and spend less at that point in time for the money that you actually need now. In 1998 President Hinckley are just to discipline ourselves in our purchases and to avoid it. He refers to debt as bondage and from the model created it shows financial benefits from this. If you put more money down or increase your periodic payment you can pay off your debt sooner but you would not have money for other things. President Hinckley wants us to be responsible and wants us to use marriage to work together. Though we should save more President Hinckley also is saying that we should spend more if we really need to. Money is a root of marriage problems and by communicating and being responsible marriages could be better. To reduce your mortgage payment you could refinance or choose a longer loan time. You could also put more money down in the beginning which would decrease how much left you would go.