

LESSON 4_ INTEREST AND AMORTIZATION

MODULE 2 MORTGAGE

<u>MONTHLY AMORTIZATION PLAN</u>		
<u>SPECIFICS : SOCIAL SECURITY SYSTEM (SSS)</u>		
<u>CONTACT PRICE : P 750, 000</u>		
<u>DOWN PAYMENT : 10% OF CONTRACT PRICE</u>		
<u>INTEREST RATE : 11.75 PER ANNUM</u>		
<u>LOAN : 19, 736. 84</u>		
<u>PERIOD OF PAYMENT : P 750, 000</u>		<u>MONTHLY : 10%</u>
<u>AMORTIZATION : 19, 736. 84</u>		<u>INTEREST : 11.75</u>
<u>P = 750, 000</u>	<u>R = 11.75</u>	<u>N = 10</u>
<u>A = P 750,000 (12/12)</u>		
<u>(1- (1+ 12/12) – 12 (4)</u>		
<u>= 19, 736. 84</u>		