

WHAT IS MORTGAGE CALCULATOR? HOW TO USE MORTGAGE CALCULATOR?

Keywords: mortgage calculator, how to use mortgage calculator, mortgage refinance calculator, mortgage interest calculator

Description: To ensure comfort, safety and security purchasing a house has become a necessity. While hunting a house to meet your needs, a seven digits figure to buy a new house has now become a new norm. Mortgage calculator helps people to determine how much amount they can borrow to pay loan on monthly basis according to their budget. Mortgage calculator provides the buyer with the knowledge to what extent they can pay the interest.



MORTGAGE CALCULATOR:

Mortgage calculator is an automated tool built for the purpose of determining the loan amount consisting of monthly principal payment along with the interest payment and the time required to pay the loan. Buyers, who cannot afford to pay a whole sum of money investment, opt for the mortgage loan plan that helps reduce the burden of huge amount. Mortgage calculator also estimates the insurance, taxes, PMI and HOA. For those who are unable to fulfill the monthly installment either go for the refinancing plan or the house ends up being repossessed.

Understanding the Mortgage Calculator payment

Mortgage calculator payment typically includes the following costs values;

1. **Principal Amount:** This refers to the amount borrowed from the lender.

2. **Interest Rate:** This is the amount that a bank charges from the borrower. They are expressed as annual percentages.
3. **Loan Term:** This refers to the time period in which the loan is to be paid. It ranges from 15 to 30 years of the loan payment period.
4. **Tax:** It refers to the amount paid for municipal expenses. In Mortgage calculator, tax value equal or below 20 is expressed as a percentage. If tax value is above 20, the calculator expresses it as annual assessment amount.
5. **PMI:** It is expressed as Property Mortgage insurance. It includes the policies for the borrower to pay back the loan to the lender. PMI is only required if the LTV (Loan-to-value) is above 80%.
6. **HOA:** This refers to Home Owner Association dues. They basically cover house maintenance and structural fees.
7. **Amortization Tables:** This is the option displayed on the mortgage calculator. By clicking this option, it reveals the monthly and yearly amortization schedule. It also helps compare monthly versus biweekly payments.

HOW TO USE MORTGAGE CALCULATOR:

The screenshot shows a mortgage calculator interface with the following details:

Your Mortgage Payment Information

- Home Value: \$300,000
- Down payment: \$60,000 (radio button selected)
- Loan amount: \$240,000
- Interest rate: 3.8%
- Loan Term: 30 years
- Start Date: Jan 2022
- Property Tax: \$2400
- PMI: 0.5%
- Home Ins: \$1000
- Monthly HOA: \$0
- Loan Type: Conventional
- Buy or Refi: Refi

Results

- Initial monthly payment: \$1,401.63
- PMI: PMI payments not required
- Down payment amount: \$60,000.00
- Down payment %: 20.00%
- Active Duty & Military Veterans: Veterans & Military: Check Your Eligibility for 0% Down
- Dec. 2051: Loan pay-off date
- Total Interest Paid: \$162,587.15
- Monthly Tax Paid: \$200.00
- Total Tax Paid: \$72,000.00
- Monthly Homeowners Insurance: \$83.33
- Total Homeowners Insurance: \$30,000.00
- Annual Payment Amount: \$16,819.57
- Total of 360 Payments: \$504,587.15

Buttons

- Calculate
- Show Amortization Tables

To use mortagage calculator, one needs to enter the following details:

1. Loan type
2. Home price
3. Down payment or mortgage balance

4. Property's ZIP code
5. Credit score
6. Loan goals
7. Taxes
8. Insurances
9. HOA fees

By reviewing the suggestions for monthly loan plan, one can start applying online.

MORTGAGE INTEREST CALCULATOR

It is the amount charged by the lenders for borrowing the money. It is charged on the basis of mortgage principal balance. Mortgage calculator calculates the monthly interest amount the buyer needs to pay once you apply the interest rate against mortgage balance.

If a large amount is borrowed from a lender, the mortgage payment is also high and it is due to the fact that the interest is charged on a large principal balance.

MORTGAGE REFINANCE CALCULATOR:

Mortgage refinancing includes a thorough research of the buyer credits, finance and income. Through mortgage calculator, the buyer reassesses and evaluates the current market value of the house. This helps the buyer to shorten the duration of mortgage term and to reduce the monthly payment cost.

CONCLUSION:

To buy a house on loan plan can help buyers to achieve their dream house. And by thoroughly evaluating the market value and refinancing through mortgage calculator can help buyers to estimate the monthly payment schedule and the interest rates.