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Borrowing for a Mortgage | Coursera

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Borrowing for a Mortgage

A home buyer can afford to spend no more than \$1500 per month on mortgage payments. Suppose that the annual interest rate is 4% and that the term of the mortgage is 30 years. Assume that interest is compounded continuously and that payments are also made continuously. Determine the maximum amount that this buyer can afford to borrow.



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