



COST OF DEBT

National average for a 30-year fixed loan of \$200,000

FICO score	APR	Monthly Payment	Total Interest Paid
760-850	3.408%	\$888	\$119,626
700-759	3.63%	\$913	\$128,560
680-699	3.807%	\$933	\$135,776
660-679	4.021%	\$957	\$144,611
640-659	4.451%	\$1,008	\$162,720
620-639	4.997%	\$1,073	\$186,380

Average car loan rates by credit score

Credit Score Range	New Car Loan	Used Car Loan
781 to 850	4.19%	4.69%
661 to 780	5.01%	6.38%
601 to 660	7.91%	10.91%
501 to 600	12.17%	16.78%
300 to 500	14.88%	19.62%



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LIVEWORKSHEETS

COST OF DEBT cont...

Auto Loan:

Peter is planning to buy a brand new 2020 Mercedes or a used 2020 BMW with a total price of \$35,000. His credit score is 750. He is thinking about a 60-month loan without down payment. Calculate his month payment for both cars.

\$35,000	2020 Brand New Mercedes	2020 Used BMW
		
Cost of Debt		
Total Cost of the Car		
Monthly Payment		

Mortgage:

Amy and Bob are both planning to finance a house. The price is \$300,000. Amy's credit score is 650 and Bob's credit score is 770. They are both thinking about a 30-year fixed loan with a down payment of \$100,000. What are their monthly payments? (Check the charts in the previous page)

\$200,000 Loan	Amy	Bob
Monthly Payment		
Total Interest Paid		

