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Mortgage Calculator

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Finding mortgage loan offers in the UK is not difficult. From newspaper advertisements to surfing the Internet, mortgage loans sporting low interest rates and additional benefits to entice borrowers to sign up are literally everywhere. But, when a mortgage offer claims that it can save 'x' amount over the competition, how can you be sure just how much it will save you when applied to your own mortgage loan? Moreover, if the deal offered is short-term, how much will the offer's standard mortgage rates compare with the mortgage rates you are currently paying for your loan? The answer to these conundrums is to compare the mortgage offers against each other, and to do this we need a loan calculator mortgage calculator.

Making comparisons with a loan calculator mortgage calculator

A loan calculator mortgage calculator is a clever little web program that is freely available on many loan and mortgage related websites. The principal behind a loan calculator mortgage calculator is quite simple - input the amount of the mortgage loan into the calculator along with the interest rate applied to the loan and the loan duration, hit the 'submit' button and 'hey presto' you have a schedule of monthly loan repayments. So, for two or more mortgage offers you can enter the loan parameters into the calculator along with your mortgage balance and get an idea of what a particular mortgage offer will cost you each month, as well as what it will cost you in total over the lifetime of the loan.

To accurately compare your loan calculator results for different mortgage offers it is a good idea to print off each set of loan calculations from the calculator and make a side-by-side analysis of them. If the calculator you are using cannot handle multiple interest rates across the life of the loan then you may need to do several calculations to arrive at the final loan cost before making your side-by-side comparison. As an example, if you were to spend say 4 years on a fixed interest rate of 4.5%, and then change to a standard rate of 6.75% you will need to make two calculations - one at 4.5% to work out repayments across the first 4 years, and then a second calculation at 6.75% for the remainder of the mortgage term.

Aside from mortgage loan comparisons a loan calculator mortgage calculator can be used to work out how much of a mortgage loan you can afford in the first place. To

do this simply choose a calculator that allows you to 'reverse' the calculation process by entering the repayment amount that you want to pay / can afford to pay each month and the interest rate. The calculator will take the loan input information and from it extrapolate the total mortgage loan you can apply for. Do bear in mind though that mortgage companies are rarely willing to lend more than 3.5 times your salary on a 75% mortgage or any loan greater than 75%.

About the author: Ian Banister is a foremost expert in the mortgage industry with over 25 yrs experience. please use our free Mortgage Calculator site. <http://www.mortgage-calculator-100.co.uk>

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