

## Loan Amortization Worksheet

Bill and Shawn Bowman are borrowing \$100,000.00. The loan term is 30 years at a fixed interest rate of seven percent. The monthly principal and interest payment on the loan is \$665.30. Complete the following chart to illustrate how payments are applied during the term of the loan.

Use the following simple interest calculation to complete the chart.

$$\text{Interest Payment} = \text{Principal Balance} \times .07 \div 12$$

$$\text{Or - } \$100,000.00 \times .07 \div 12 \text{ months} = \$583.33 = \text{Interest Payment}$$

<u>Payment Number</u>	<u>Principal Balance</u>	(P&I) <u>Monthly Payment</u>	<u>Interest Payment</u>	<u>Applied to Principal</u>
1	100,000.00	665.30	583.33	81.97
2	99,918.03	665.30	582.86	82.44
3	99,835.59	<b><u>665.30</u></b>	582.37	<b><u>82.93</u></b>
4	<b><u>99,752.66</u></b>	665.30	<b><u>581.89</u></b>	83.41
5	99,669.25	665.30	<b><u>581.40</u></b>	83.90
6	<b><u>99,585.35</u></b>			

What is the principal balance for payment number 6?

NOTE: Due to rounding of figures, your calculations may vary slightly.