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MATH 1030

### Mortgage Lab Reflective Writing

For this math lab, we were told to analyze different approaches and different plans that will help you pay for your hypothetical future mortgage based on your monthly income. We find the monthly payments and how these were to change within three different payment plans.

Going through the process of this lab assessment, I was able to encounter some difficulties as some of the information, such as my hypothetical monthly income was not there. It wasn't clear if I was supposed to provide the monthly income or if we were supposed to guess based on how much you had to pay monthly on your mortgage. Either way I was not able to come up with a right answer for my monthly income. Other than that, it was very applicable to the real world. We could use things like these to estimate and figure out our real world finances such as mortgage payments, like in this lab. This doesn't work for just mortgage payments but for credit cards and loan payments as well. It helps you visualize how your monthly payments. It helps you calculate how much more can you pay in order to pay it off early based on your monthly paycheck, and how much can you save to take care of other expenses such as gas, water, power, etc.

Some people don't really understand the importance of managing your finances in order to have leftover money to maybe pay to the additional principal of your home loan. Being a mortgage representative or broker serves as a tool to those customers whom seek that extra hand. You, being a mortgage representative, know what's better for them in terms of home loans and are able to help them find the best way of paying off their loan. This will give your clients or customers the peace of mind they seek in managing their loan payments and so forth.

Now, let's look at the differences between the 30 year original loan, the 15 year loan and the 30 year loan with extra payments towards the principal. The good thing about all of them are:  
30 year loan: You have more time to pay it off; payments are lower; leaves you with some extra money to deal with other home expenses and unexpected surprises, specially when you are leaving paycheck to paycheck. On the other hand, it's going to take long to pay and will gain a lot in interest in the long run so you will end up paying more. For the 15 year loan: Less years to pay it off; you will pay less in interest, and you will end up making less payments. On the other hand, your payments will be higher than a 30 year loan plan and will put you on an even tighter budget if you leave paycheck to paycheck. This one is more for people who have some money saved up and can manage to take from their savings in addition to their monthly paycheck. Now for the original 30 year plan with additional principal payments: You will have more time to pay it off; with the additional principal, you will pay it off earlier than the established 30 years. On the other hand, yes you will still have some extra money, yet the payments will be a bit higher than the monthly agreement. You will also have to adjust your monthly expenses in order to determine what your leftover cash will be to cover for your other life expenses.

This assessment was very helpful and a very good example of how we deal with math in the real world. It also provided me with new resources to apply to my daily finances. Before, I had an idea of how to deal with my monthly bills based on my monthly paycheck. With what I have learned from this assessment and from this class, I feel more prepared to deal, not only with my money, but with my customers and clients at my job. I feel more prepared to take care of all of

their financial needs and help provide peace of mind know and showing them the importance of making good investments and making good financial decisions.

I am currently working to become a teacher. In the state of Utah, the average annual salary for a teacher is between \$44,000 and \$75,000. Looking back at the results of this assessment, I will be able to afford a 30 year payment plan for a mortgage loan. I will also chose to apply to additional principal to pay it off earlier than the 30 years that way I will save in interest in the long run. This will help me not only to pay the loan off after, but it will give me relief to be able to support my family and other expected and unexpected life expenses.