

Financial Literacy

Car Loan Calculations (please type all your answers in a different colored font)

<http://www.onlineloancalculator.org/>

Find a vehicle on-line that you would want to purchase over 10K

Year

Make

Model

Price

Description

Go to the website above and enter the purchase price and leave the sales tax rate at 1.25% and the start date at January 2026

Assuming 0 down Payment, 5% interest, 6 years

What is the monthly payment

How much interest is paid over the life of the loan

How much of the principal is paid down the first year

Change the down payment to \$1000

What is the monthly payment

How much interest is paid over the life of the loan

How much of the principal is paid down the first year

Change the interest rate (better credit score) to 4% (leave the \$1000 down)

What is the monthly payment

How much interest is paid over the life of the loan

How much of the principal is paid down the first year

Leave everything the same but change the loan term to 5 years

What is the monthly payment

How much interest is paid over the life of the loan

How much of the principal is paid down the first year

Play around a little bit with the interest rate, down payment, and length of loan.

Discuss below which of these you believe has the biggest impact on your monthly payment