

• **A Loan Constant is the monthly Principle and Interest payment of \$1,000 based on an Interest Rate and amortized over a specific timeframe.**

• In an example, if the monthly Principle and Interest payment of \$1,000 at 8% for 30 years will be \$7.34 per month.

• If you finance **\$100,000** at 8% for 30 years the monthly Principle and Interest payment would be $\$7.34 \times 100$ (the **number of \$1,000 increments of the loan**, \$100,000 divided by \$1,000 = 100) = \$734.00 per month.

100 X 7.34 = \$734.00 per month (principal and interest only)

Match the loan constant on the opposite side to the interest rate you need to determine what your principal and interest monthly payment will be.

Notice that some of the constants are colored differently. If you will match the color on the left side of the sheet downward and look across you will notice, for instance that each of the yellow colored boxes have approximately the same loan constant.

Example: **3% for 15 years,**

5 1/2% for 20 years and

7 1/2% for 30 years all have approximately the same loan

constant. By knowing this simple fact you can negotiate

different interest rates for different periods of time and still

have the same principal and interest payment each month.

Loan Constants

Interest Rate	15 Year	20 Year	30 Year
5%	7.91	6.60	5.36
5 1/4%	8.04	6.74	5.52
5 1/2%	8.17	6.88	5.67
5 3/4%	8.30	7.02	5.83
6%	8.44	7.16	6.00
6 1/4%	8.57	7.31	6.15
6 1/2%	8.71	7.46	6.32
6 3/4%	8.85	7.60	6.48
7%	8.99	7.76	6.66
7 1/4%	9.13	7.91	6.83
7 1/2%	9.28	8.06	7.00
7 3/4%	9.42	8.21	7.17
8%	9.56	8.37	7.34
8 1/4%	9.71	8.53	7.52
8 1/2%	9.85	8.66	7.69
8 3/4%	10.00	8.84	7.87
9%	10.15	9.00	8.05
9 1/4%	10.30	9.16	8.23
9 1/2%	10.45	9.33	8.41
9 3/4%	10.60	9.49	8.60
10%	10.75	9.66	8.78
10 1/4%	10.90	9.82	8.97
10 1/2%	11.06	9.99	9.15
10 3/4%	11.21	10.16	9.34
11%	11.37	10.33	9.53
11 1/4%	11.52	10.49	9.71
11 1/2%	11.68	10.66	9.90
11 3/4%	11.84	10.84	10.09
12%	12.00	11.01	10.29
12 1/4%	12.16	11.19	10.48
12 1/2%	12.33	11.36	10.67
12 3/4%	12.49	11.54	10.87
13%	12.65	11.72	11.06
13 1/4%	12.82	11.89	11.26
13 1/2%	12.98	12.07	11.45
13 3/4%	13.15	12.25	11.65
14%	13.32	12.44	11.85
14 1/4%	13.49	12.62	12.05
14 1/2%	13.66	12.80	12.25
14 3/4%	13.83	12.98	12.44
15%	14.00	13.17	12.64