**Mortgage Amortization Triangle**

$150,000 loan balance @ 3.75% on a 15 year note, using a constant P&I payment of $1,090.50 per the Mortgage Factor Chart on page 251 of text.

 **January February**

Beginning Balance $150,000 $149,378.25

(X) Note Rate (annual) X .0375 X .0375

= Annual Interest $5,625 $5,601.68

Change to monthly (÷12) ÷ 12 ÷12

= Monthly Interest $468.75 $466.81

Const. Monthly Payment (P&I) $1,090.50 $1,090.50

(-) Less Monthly Interest -$468.75 -$466.81

= Principal Reduction = $621.75 = $623.69

Beginning Balance $150,000.00 $149,378.25

(-) Less Principal Reduction - $621.75 - $623.69

= New Principal Loan Balance $149,378.25 $148,754.56