



Go with Grace

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6 Items That Combine To Make Up Your Monthly Mortgage Payment

- 1. Principle balance: this represents the money you originally borrowed and are paying back over the life of the loan.*
- 2. Interest on loan amount*
- 3. Real estate taxes: Normally, 1/12 of the most recent tax bill**
- 4. Insurance (Home Owners): Normally, 1/12 of the yearly policy amount**
- 5. Private Mortgage Insurance (PMI)***
- 6. Assessments (if any, condo, townhome, single family home)

* Almost every borrower's payment will include both principle and interest.

** Most borrowers have payments that will include principle, interest, taxes and insurance (unless the lender doesn't require escrows of real estate taxes and insurance).

*** Some borrowers who have less than 20% down are required to pay Private Mortgage Insurance (PMI). Depending on the type of dwelling you purchase you may or may not be required to pay assessments.

