1. Gary and Ann have just purchased a new home. They paid $40,000 as a down payment and obtained a $200,000 mortgage to pay for the rest. The 30-year mortgage has an interest rate of 0.5% per month. How much will they pay each month in principal and interest? *Your answer must be correct to the nearest penny.*

2. Jerry and Katrina took out a 30-year, $360,000 mortgage on their 2800-square-foot house. The mortgage rate is 0.4% per month so their payments are $1888.80 per month. How much would they still owe on their mortgage immediately after making their 220th monthly payment?

3. Sue is planning to buy a house. She has been advised by her financial planner that her monthly house payment (which includes property taxes and insurance) should not exceed 30% of her take-home pay. Currently, her take-home pay is $2000 per month. Her monthly property taxes will be approximately $100 and her monthly homeowners insurance will be approximately $50. If Sue’s take-home pay is $2000 per month, and the mortgage is at 0.5% per month for 30 years, what is the maximum amount she can borrow to buy her house?