













# Chapter 6 Summary

## Section Objectives

## How does it apply to you?

Section 1	Read promissory notes and find due dates.		It is important to know all the terms and conditions of a loan so that you repay the correct amount on time. <i>(See Examples 1 and 2.)</i>
	Find the cost of credit for a loan.		When you obtain a loan, you normally must pay a cost of credit in addition to the loan proceeds. <i>(See Example 3.)</i>
	Find the annual percentage rate for a loan.		The annual percentage rate (APR) is the rate at which interest is calculated. <i>(See Example 6.)</i>
Section 2	Create an amortization table.		An amortization table shows how the balance of a loan decreases. <i>(See Examples 1 and 2.)</i>
	Analyze the cost of buying on credit.		To reduce the amount of interest you pay, you should pay more than the minimum payment on your credit card bill. <i>(See Example 3.)</i>
	Analyze credit in the United States.		You can compare the indebtedness of households in the United States in different years by using population size and the CPI. <i>(See Example 6.)</i>
Section 3	Compare rates and terms for a home mortgage.		The rate and term of a home mortgage affect the size of your monthly payment and the total amount of interest that you pay. <i>(See Examples 1 and 2.)</i>
	Analyze the effect of making principal payments.		You can pay off your mortgage early and save in interest when you make additional payments. <i>(See Example 3.)</i>
	Compare the costs of buying and renting.		You should consider all the costs and savings involved in buying and renting to determine what is best for you. <i>(See Example 5.)</i>
Section 4	Find the balance in a savings account.		You can find how much is in a savings account after a period of time. <i>(See Examples 1 and 2.)</i>
	Find the balance in an increasing annuity.		You can find the balance in an account in which you make repeated deposits and determine how much you will have in the account when you retire. <i>(See Examples 3 and 4.)</i>
	Analyze a decreasing annuity.		You can determine how much you can withdraw annually from an interest-earning account when you retire. You can also determine the age at which you should retire to maximize your retirement income. <i>(See Examples 5 and 6.)</i>