Applications

1. Interpret the quote in the context of what you learned, and on your general experiences.

2. Arrange the following lending institutions in descending order according to their APRs for a $10,000, two-year loan.

   East Meadow Savings $9\frac{1}{2}\%$

   Clinton Park Credit Union 9%

   Tivoli Trust $9\frac{3}{8}\%$

   First Bank of Rhinecliff 9.45%

   Columbia Consumer Finance Corp. $9\frac{9}{16}\%$

3. How many more monthly payments are made for a five-year loan than for a two-year loan?

4. How many monthly payments must be made for a $2\frac{1}{2}$-year loan?

5. Bart needs to borrow $7,000 from a local bank. He compares the monthly payments for a 9.75% loan for three different periods of time.
   a. What is the monthly payment for a one-year loan?
   b. What is the monthly payment for a three-year loan?
   c. What is the monthly payment for a five-year loan?

6. Rachel has a $10,000, three-year loan with an APR of 7.25%.
   a. What is the monthly payment?
   b. What is the total amount of the monthly payments?
   c. What is the finance charge?

7. Melissa wants to check the accuracy of the finance charge on her promissory note. She has a $6,000, four-year loan at an APR of 10%.
   a. What is the monthly payment?
   b. What is the total amount of the monthly payments?
   c. What is the finance charge?

8. The policy of the Broadway Pawnshop is to lend up to 35% of the value of a borrower's collateral. John wants to use a $3,000 ring and a $1,200 necklace as collateral for a loan. What is the maximum amount that he could borrow from Broadway?

9. Juliana is taking out an $8,700, $3\frac{1}{2}$-year loan with an APR of 9.31%. What will be the monthly payment for this loan?

10. Lavonda took out a $7,500 loan with an APR of 6.875% and agreed to paid it back monthly over six years. How many monthly payments did she make?