

Paying Off a Loan

One way to get credit is to get a bank loan. Owen owed the bank \$1066.20 for a \$1000 loan for a motorcycle. (Remember, the extra \$66.20 is interest.) Owen must make 12 monthly payments of \$88.85 to pay the bank back.



Owen wants to keep track of how much he owes the bank (his balance) each month. To do that, he must subtract his payment from the unpaid balance each month.

Directions: Complete the payment chart below. The first two months are done for you.

Amount Owen Borrowed	\$1066.20
August payment	— \$88.85
August balance	\$977.35
September payment	— \$88.85
September balance	\$888.50
October payment	\$88.85
October balance	
November payment	\$88.85
November balance	
December payment	\$88.85
December balance	
January payment	\$88.85
January balance	
February payment	\$88.85
February balance	
March payment	\$88.85
March balance	
April payment	\$88.85
April balance	
May payment	\$88.85
May balance	
June payment	\$88.85
June balance	
July payment	\$88.85
July balance	\$0 The loan is paid off!