15 year vs. 30 year loan

What about a 15-year vs. 30 year loan?
The difference in payments and overall savings between a 15-year fixed-rate loan and a 30-year fixed-rate loan depends on the interest rate and the loan amount. Using a $100,000 loan and 7.25% interest rate as an example, monthly payments on the 15-year note would be $912.86. Monthly payments on a $100,000 loan at 7.25% fixed for 30 years would be $682.18.

The 15-year note offers the opportunity to save considerable money over the life of the loan, since the period of amortization is half that of the 30-year note. This means that the total interest paid on a 15-year note as compared to a 30-year note is significantly less.

However, calculating the overall savings of the 15-year note over the 30-year note depends on several individual circumstances, such as the borrower's changing income status.

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