

## Paying Points Calculator

<b>Mortgage Amount</b>	720,000
<b>Rate with Zero Points Paid</b>	6.750%
<b>Points to be Paid</b>	1.00
<b>Rate with 1 Point(s) Paid</b>	6.500%
<b>Rate or Return of Alternative Investment (Stock Funds/Payoff of higher interest rate debt etc...)</b>	10.000%

### Comparison 1: The Easy But Incorrect Comparison

#### 5 Years to recover points paid -- but this calculation is flawed

<b>P&amp;I Payment with Zero Points Paid</b>	\$4,669.91
<b>P&amp;I Payment with 1 Point(s)</b>	\$4,550.89
<b>Monthly Savings</b>	\$119.02
<b>\$\$ Paid in Points</b>	\$7,200.00

Read an article written by Barry Habib that explains why this comparison method is flawed.

[Read Article](#) 

### Comparison 2: Reducing Your Mortgage as Opposed to Paying Points

#### 8.3 Years to recover points paid

<b>New Mortgage Amount with Zero points paid</b>	\$712,800
<b>P&amp;I Payment with Zero Points and a \$712800 loan amount</b>	\$4,623.21
<b>P&amp;I Payment with 1 Point(s) and a \$720000 loan amount</b>	\$4,550.89
<b>Monthly Savings</b>	\$72.32
<b>\$\$ Paid in Points</b>	\$7,200.00

### Comparison 3: Investing Your \$\$ as Opposed to Paying Points

#### 10.2 Years to recover points paid

<b>P&amp;I Payment with Zero Points</b>	\$4,669.91
<b>P&amp;I Payment with 1 Point(s)</b>	\$4,550.89
<b>Monthly Savings</b>	\$119.02
<b>Estimated monthly income generated from \$7200 invested earning/saving 10%</b>	\$60.00
<b>Adjusted Monthly Savings</b>	\$59.02
<b>\$\$ Paid in Points</b>	\$7,200.00