MORTGAGE AFFORDABILITY

One loan, 48 month-end payments

$802.02

Difference between the two cent-rounded monthly payments, $2,157.54 and $1,355.52, from January 2022 through December 2025.

Buyer decision

Translate a change in rates into the monthly amount a household would pay on the same loan.

At full precision, the difference rounds to $802.01.

Analysis scope

$300,000 principal and 360 payments. Only principal and interest are included.

Freddie Mac PMMS via FRED / Last weekly survey reading in each month

PAYMENT HISTORY

How the monthly payment moved

The balance and term stay fixed. Each point uses the final weekly survey rate in its month.



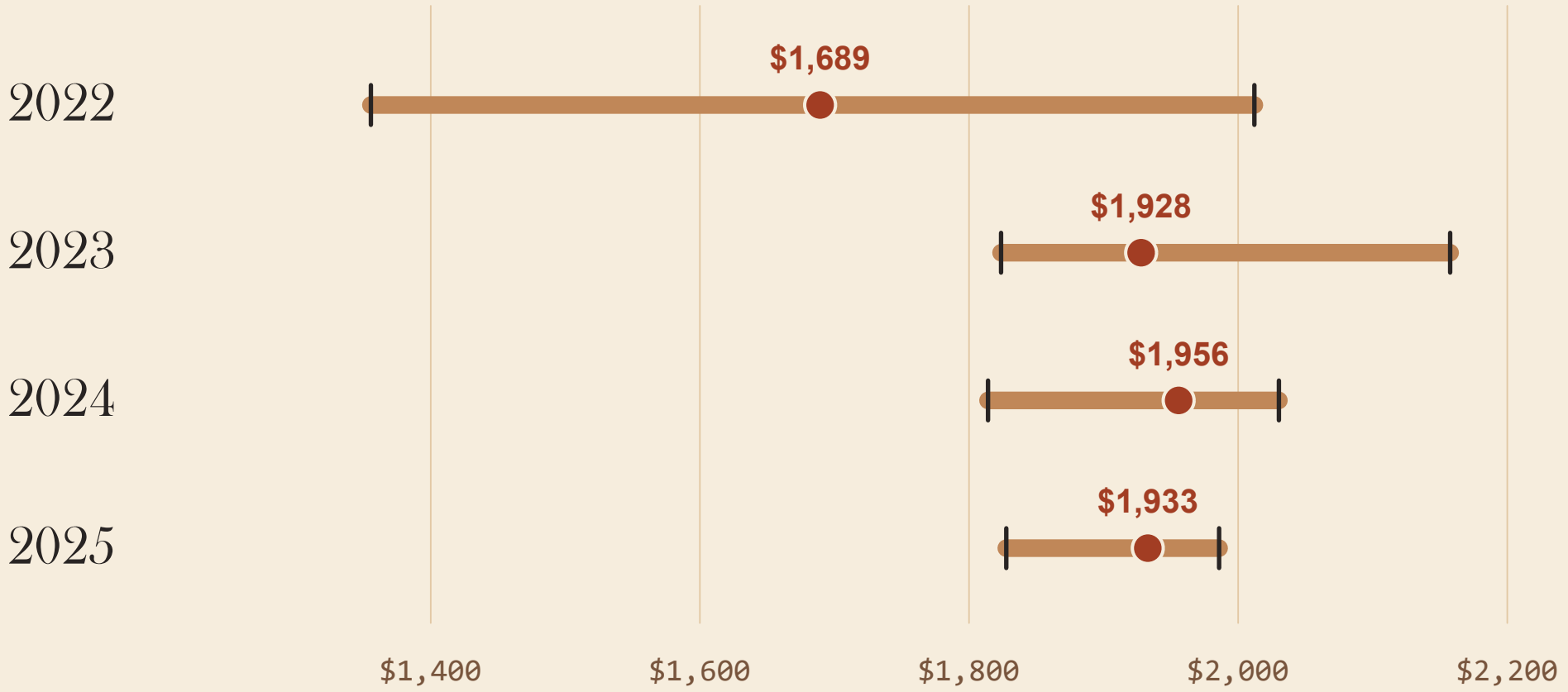
Monthly principal and interest in U.S. dollars

Freddie Mac PMMS via FRED / Fixed $300,000 principal, 30-year term / 2022–25

WITHIN-YEAR VARIATION

The widest range came in 2022

Each line spans the year's lowest and highest modeled payment. A dot marks its median.



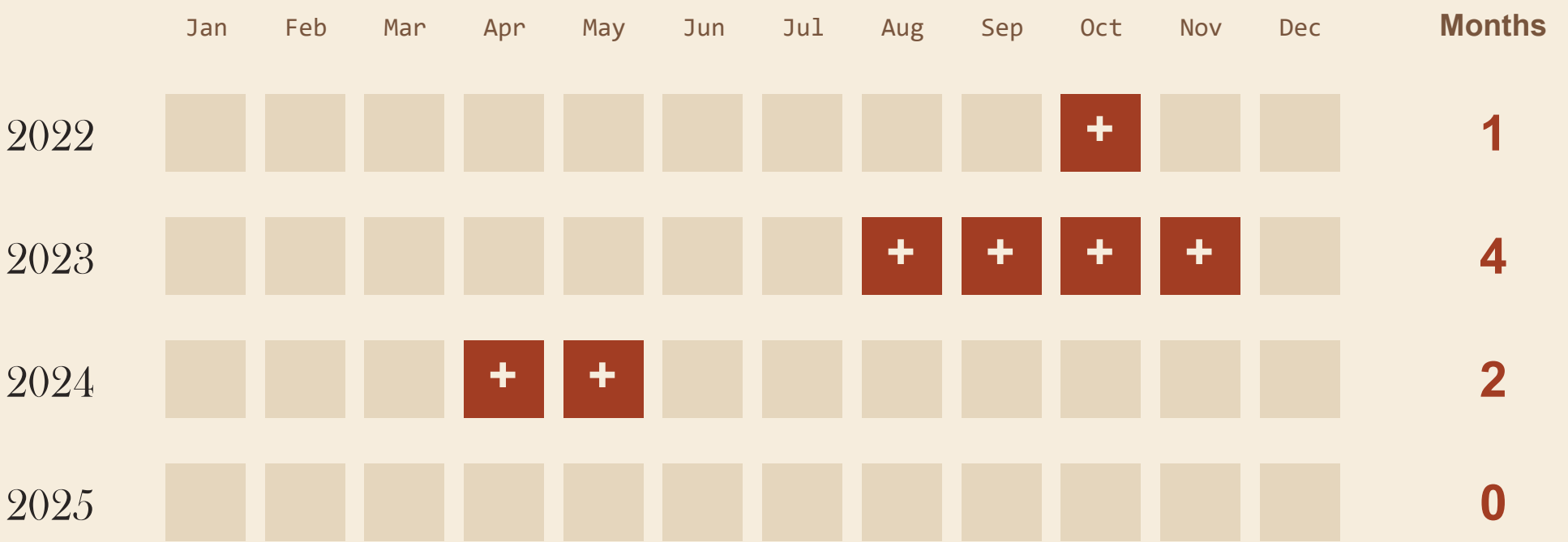
Twelve observations per year. All years share the same dollar scale.

Freddie Mac PMMS via FRED / Fixed $300,000 principal, 30-year term / 2022–25

AFFORDABILITY THRESHOLD

When payments exceeded $2,000

A fixed comparison budget turns the same payment history into a count of months over budget.



Freddie Mac PMMS via FRED / Fixed $300,000 principal, 30-year term / 2022–25

Keep the loan assumptions fixed

Changing one input at a time makes differences in monthly payment interpretable.

01 Select the rate

Take the final weekly Freddie Mac survey observation in each month. This produces 48 dated rates.

02 Compute the payment

For principal P, monthly rate r and N payments, use P × r / [1 − (1+r)^(-N)]. Convert the annual percentage to a monthly decimal.

03 Set the comparison

Keep P at $300,000 and N at 360. Summarize the range, medians and months above a stated budget.

04 Use with a buyer

Quote the monthly principal and interest. Add taxes, insurance and fees separately before presenting total housing cost.