(Mr. Tenkey's Tips # 487) --- book available @ www.mrtenkey.com

January 29, 2021


Dear Management: Did you pay more for interest in 1981 or today?

Well before you stop at the surface with...

1981 interest rates were at 18.45% and today they are at like 3%...

No brainer right?

Well one thing you might not be putting into the equation is house values...

An average $300,000 house in Portland today, was probably around $50,000 in 1981.

So payment on a 30 yr conventional loan...

3% on $300,000 - $1,265.00

18.45% on $50,000 - $772.00

So, as you can see...

Are the lower interest rates ALL that much better for people?

Of course, this is a simplified example... but maybe house prices rising... were a worse offset.

Made ya think right?