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

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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?