

## How Your Mortgage Payment Breaks Down

### Video Transcript

Ever wonder where your mortgage payment money goes? Let's break it down. Your monthly mortgage payment is made up of four main parts, commonly known as PITI. That's principal, interest, taxes, and insurance.

Principal pays down your loan balance. Interest is what you pay the lender to borrow money. Both of these can change over time as you pay down your loan. Property taxes fund local services like schools and road maintenance, and insurance protects your home from damage or loss.

Your payment can change due to tax or insurance increases or if you have an adjustable mortgage rate. Your mortgage statement is packed with info. Review it regularly, consider extra payments, and don't hesitate to ask questions. Understanding your mortgage is key to home ownership.

Check out this article for more details.