# Article information:

Loan Constant: Definition, Calculation Formula, Example  
<https://www.investopedia.com/terms/l/loanconstant.asp>

# Article summary:

1. A loan constant is a percentage that shows the annual debt service of a loan compared to its total principal value.

2. Loan constants are used to compare the true cost of borrowing and can be determined for all types of loans.

3. Loan constant tables and calculators are popular for calculating mortgage payments, and borrowers will often opt for the loan with the lowest loan constant as this means lower debt service payments.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article provides an accurate overview of what a loan constant is and how it works, as well as how to calculate it using an example. The article also explains how loan constants can be used to compare different loans when shopping around for one, and how they are only applicable to fixed interest rate loans.

However, there is no mention of potential risks associated with taking out a loan with a low loan constant or any other type of loan, which could lead readers to believe that taking out such a loan is always beneficial without considering any potential drawbacks. Additionally, there is no discussion about other factors that should be taken into consideration when choosing between different loans, such as fees or prepayment penalties.

The article also does not explore any counterarguments or present both sides equally when discussing the advantages of opting for the loan with the lowest loan constant; instead it simply states that this option will result in lower debt service payments without providing any evidence or further explanation. Furthermore, there is no mention of any potential biases in the article or sources from which information was obtained, making it difficult to assess its trustworthiness and reliability.

# Topics for further research:

* Loan risks associated with low loan constant
* Factors to consider when choosing a loan
* Prepayment penalties and fees
* Advantages and disadvantages of low loan constant
* Counterarguments to opting for the loan with the lowest loan constant
* Reliable sources for loan information

# Report location:

<https://www.fullpicture.app/item/8dbfdc2376a6ff040d23be9c03d7cbce>