How do I use the PMT function in Google Sheets?

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The PMT function in Google Sheets is a useful tool for calculating the periodic payments on a loan or annuity. To use this function, first select the cell where you want the result to appear. Then, type "=PMT(" into the cell. Next, enter the annual interest rate, number of periods, and total loan amount in the correct order, separated by commas. You can also include additional optional parameters such as a future value or payment due date. Finally, close the function with a closing parenthesis and press Enter. The cell will then display the calculated periodic payment amount. This function can save time and provide accurate results for loan and annuity calculations in your Google Sheets documents.

Use the PMT Function in Google Sheets (3 Examples)

The PMT function in Google Sheets can be used to find the periodic payment for a loan.

This function uses the following basic syntax:

PMT(rate, number_of_periods, present_value)

where:

rate: The annual interest ratenumber_of_periods: Number of payments to be madepresent_value: The total amount of the loan

The following examples show how to use this function in different scenarios.

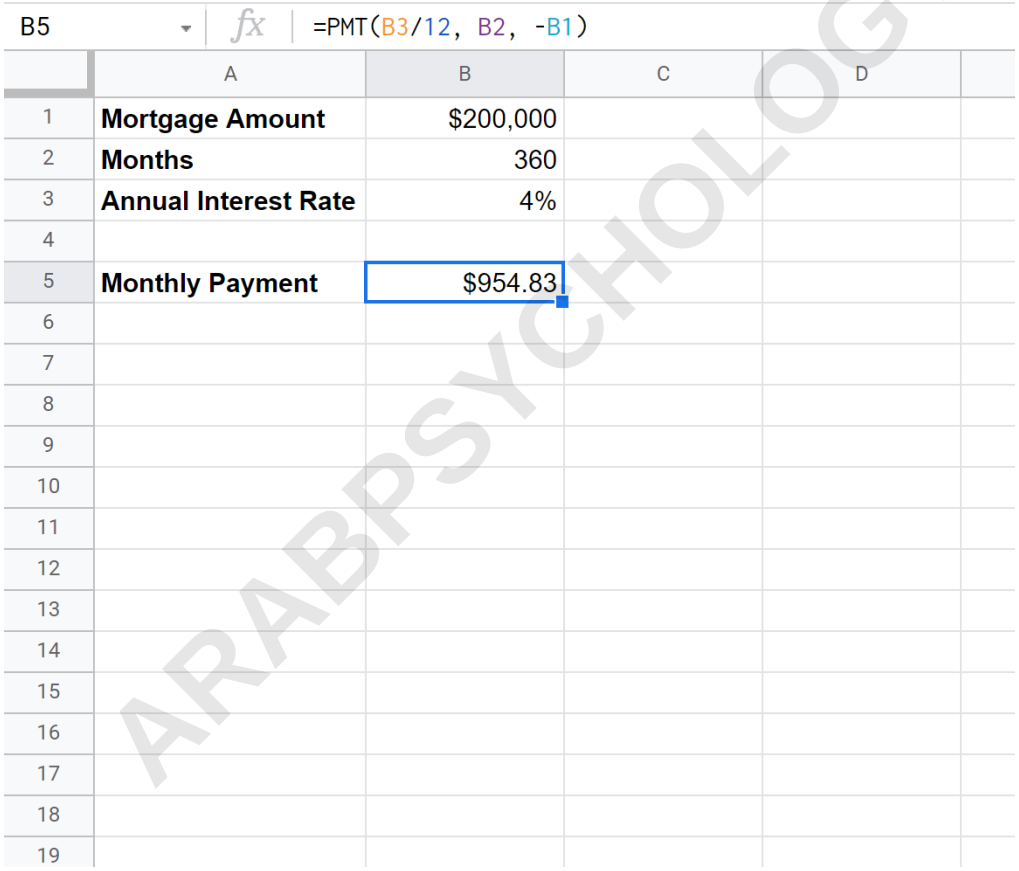
Example 1: Calculate Loan Payments for Mortgage

Suppose a family takes out a mortgage loan for a house

with the following details:

Mortgage Amount: $200,000Number of Months: 360Annual Interest Rate: 4%

The following screenshot shows how to use the PMT function in Google Sheets to calculate the necessary monthly loan payment:



The monthly loan payment is $954.83. This is how much the family must pay each month in order to pay off the $200,000 loan in 360 months.

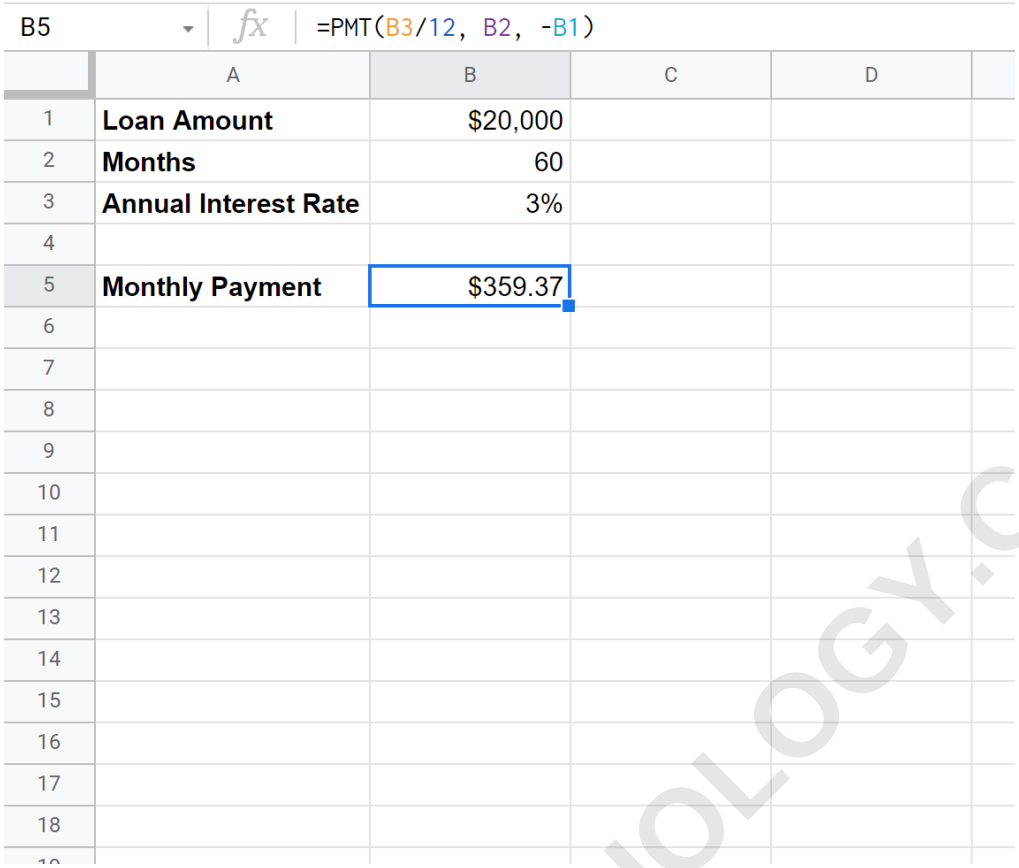
Note: When using the PMT function, we divided the annual interest rate by 12 (since we're paying monthly) and we placed a negative sign in front of the mortgage amount since the family technically started with a value of -$200,000 and are trying to get back to zero.

Example 2: Calculate Loan Payments for Car Loan

Suppose an individual takes out a loan for a car with the following details:

Loan Amount: $20,000Number of Months: 60Annual Interest Rate: 3%

The following screenshot shows how to use the PMT function in Google Sheets to calculate the necessary monthly loan payment:



The monthly loan payment is $359.37. This is how much the individual must pay each month in order to pay off the $20,000 loan in 60 months.

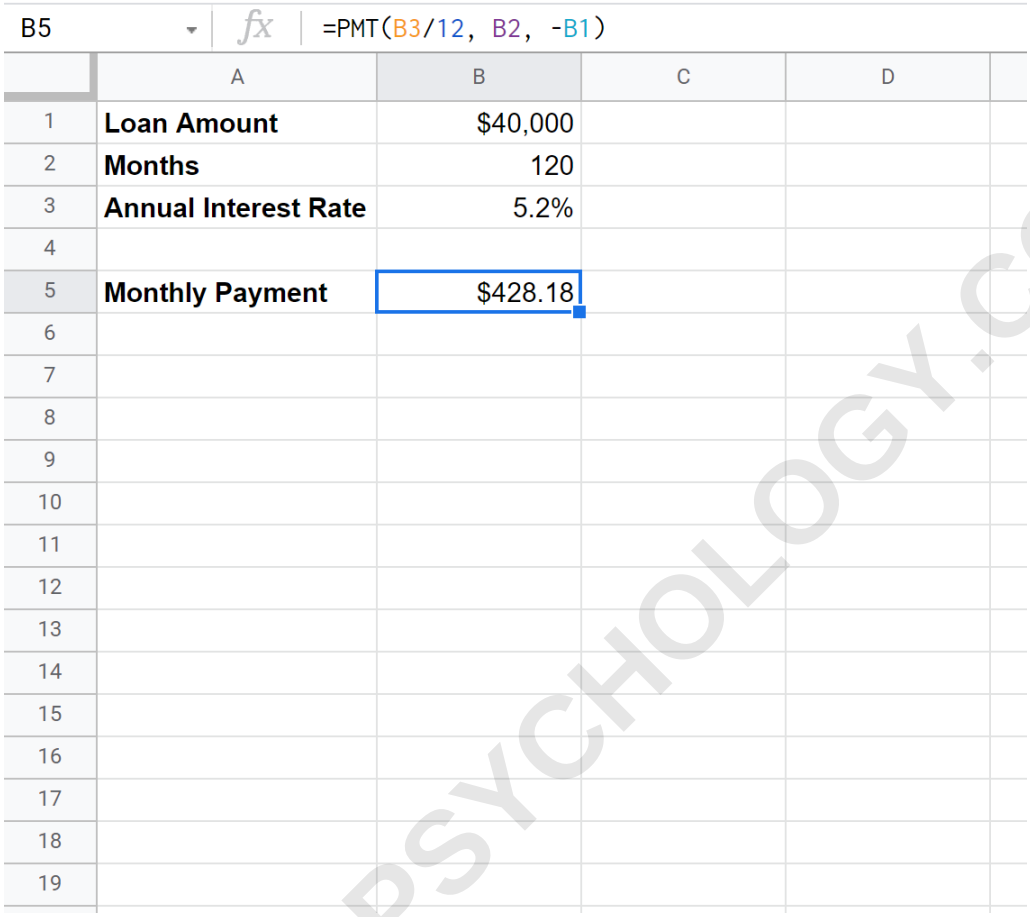
Example 3: Calculate Loan Payments for Student Loan

Suppose a student takes out a loan for university with the following details:

Loan Amount: $40,000Number of Months: 120Annual Interest Rate: 5.2%

The following screenshot shows how to use the PMT

function in Google Sheets to calculate the necessary monthly loan payment:



B5 | fx | =PMT(B3/12, B2, -B1)

	A	B	C	D
1	**Loan Amount**	$40,000		
2	**Months**	120		
3	**Annual Interest Rate**	5.2%		
4				
5	**Monthly Payment**	$428.18		
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				

The monthly loan payment is $428.18. This is how much the individual must pay each month in order to pay off the $40,000 loan in 120 months.

Note: You can find the complete online documentation for the PMT function .

The following tutorials explain how to perform other

common tasks in Google Sheets: