

Name _____

Finance

Buying a Home Quiz Review

- 1) Between a 10 year, 15 year and 30 year mortgage, what is the most common term (amount of years)? _____

- 2) Home maintenance should be expected to cost a homeowner between _____% and _____% of the home's value each year?

- 3) What would happen if you were able to pay one extra mortgage payment to the bank each year?

- 4) What is the goal down payment for a \$500,000 home?

- 5) What two costs associated with housing are higher on Long Island than most other places in the nation?
_____ and _____

- 6) What is one downside of renting a home/apartment?

- 7) Your total housing costs (mortgage + taxes) should be approximately what % of your income in order for the bank to approve your loan?
 - a. less than 10%
 - b. 33%
 - c. 50%
 - d. at least 75%

- 8) Why would the same house be more expensive if placed in Mount Sinai, then if placed in Centereach?

- 9) True or False: If a homeowner dies, the bank forgives the outstanding balance of the mortgage _____

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10) – Complete the following chart:

Steven: Single person trying to buy a house

Salary:	\$ 115,000
Monthly Gross Salary	
Monthly Gross Salary ÷ 3	
Yearly Taxes on House	\$13,000
Monthly Taxes on House	
Actual Monthly Mortgage Amount Steve Can Afford	
Loan Amount Steve Would Qualify For (Last Line ÷ 5.13 X 1000)	
Down Payment Available	\$ 20,000
Total Price House Steve Can Afford (Add Loan Amount + Down Payment)	

11) Based on the last cell, can Steve afford a home in Mount Sinai?
