BUYING A HOME ASSIGNMENT

1. List your ‘must haves’ for a home. It does not have to be in the City of Kawartha Lakes or even in Ontario. You might also want to consider things like: land size, heating, water, septic, number of bathrooms, garage, main road or side road, to name a few.
2. Find a home with that meets your criteria from the website: www.realtor.ca. Attach it to this assignment.
3. Were there any ‘must haves’ that you could not get? What will you do?
4. The price of my home is:
5. In one or two sentences, explain why you chose this home.
6. The current pre-approved mortgage interest rate is 2.61%. Calculate the monthly payment for a 20, 30, 40 and 50 year mortgage. Show your work.
7. Which mortgage length would you choose (20, 30, 40, 50 years)? Why?
8. Using the mortgage length you chose in #7, and a new interest rate of 4%, determine the amount owing after 5 years. You should use the website www.amortizationtable.org.

Principal:

Interest Rate:

Term:

Amount Owing:

1. You renegotiate your mortgage after the 5 year term and have a new interest rate of 3.5%. Determine your new monthly payment. You should use the website www.amortizationtable.org.

Principal:

Interest Rate:

Term:

Monthly Payment:

1. Examine the amortization table. Explain why the interest paid decreases with each mortgage payment and the principal paid increases with each mortgage payment.