



# Activity B

## House much house can you afford?

02.03.02

2

name: \_\_\_\_\_

date: \_\_\_\_\_

Input each of the two different scenarios into this calculator and determine how much of a house you can afford. The Web site address is

[www.practicalmoneyskills.ca](http://www.practicalmoneyskills.ca) -> Consumers -> Calculators -> Mortgage

	Scenario 1	Scenario 2
How much do you have saved for a down payment?	\$10,000	\$20,000
How quickly do you want to pay off your house?	15 year mortgage	15 year mortgage
How much can you afford to pay toward a house payment each month?	\$1,000	\$1,500
What interest rate do you think you can find on a mortgage?	6%	6%
Miscellaneous closing costs?	\$800	\$800
Loan Origination Rate?	1.0%	1.0%
Property Tax Rate?	3.0%	3.0%
Homeowner's Insurance Rate?	0.5%	0.5%

How much of a house can I afford?	
Scenario 1	
Scenario 2	

What do you think makes the difference?

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