

## Part III Review

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### Vocabulary

Choose the letter of the word(s) that complete(s) the sentence.

1. A building in which apartments are owned is called a \_\_\_\_\_.  
a. Lease                                      b. Mortgage                                      c. Condominium
2. The percent of the mortgage amount paid at the closing is called \_\_\_\_\_.  
a. Interest                                      b. Points                                      c. Appreciation
3. Utility companies sell electricity by the \_\_\_\_\_.  
a. Kilowatt hour                                      b. Cubic foot                                      c. Hour

### Skills

Find the answer.

4. Ed earns \$1,500 per month. What is the maximum monthly rent he should be able to afford?  
\_\_\_\_\_
5. Maria's rent is \$950 per month. Her utility bill averages \$150 per month. What is her average total monthly cost for these items? \_\_\_\_\_
6. Lucy earns \$66,500 per year. What is the maximum that she should be able to borrow to buy a house?  
\_\_\_\_\_
7. Martin's \$199,000 house appreciated 15% over the last year. What is it now worth? \_\_\_\_\_
8. Ron put 20% down on a \$425,000 condo. How much was that? \_\_\_\_\_
9. Liz put 20% down on a \$575,000 house. What is her mortgage amount? \_\_\_\_\_

Use the Mortgage Payments table for problems 10–11.

10. Fran got a \$156,000 mortgage for 25 years at 6%.  
How much will she pay each month for the principal + interest (“P&I”) portion of her mortgage?  
\_\_\_\_\_

11. Carlos put 25% down on a \$90,000 house. What are the mortgage amount and his monthly payment for a 30-year loan at 7.5%? \_\_\_\_\_

Solve.

12. Sam’s mortgage was \$163,000. The closing costs were 2 points and \$3,260 in fees. What were his closing costs? \_\_\_\_\_

13. The market value of Monica’s property is \$243,000. The assessment rate is 80%. What is the assessed valuation? \_\_\_\_\_

14. Dawn’s house used 2,093 kWh of electricity. How much did the electricity cost at \$0.0427 per kWh?  
\_\_\_\_\_

15. Diana used 172 hundred cubic feet of gas. How much did the gas cost at \$0.7215 per 100 cubic feet?  
\_\_\_\_\_

16. Carl’s rectangular living room measures 18 feet by 21 feet by 8 feet high. How many gallons of paint are needed to paint the walls? \_\_\_\_\_

17. Miguel wants to buy a condominium with monthly payments of \$643. His current gross pay is \$1,875 per month. How much more would he need to earn per month to afford the condominium? \_\_\_\_\_

18. The assessed valuation of Jack’s house is \$245,000. The tax rate is \$4.85 per \$100. What is his annual real estate tax? \_\_\_\_\_

| MORTGAGE PAYMENTS PER \$100 |                 |           |           |
|-----------------------------|-----------------|-----------|-----------|
| Interest Rate               | Monthly Payment |           |           |
|                             | 20-y loan       | 25-y loan | 30-y loan |
| 5.0%                        | \$6.60          | \$5.85    | \$5.37    |
| 5.5%                        | \$6.88          | \$6.14    | \$5.68    |
| 6.0%                        | \$7.16          | \$6.44    | \$6.00    |
| 6.5%                        | \$7.46          | \$6.75    | \$6.32    |
| 7.0%                        | \$7.75          | \$7.07    | \$6.65    |
| 7.5%                        | \$8.06          | \$7.39    | \$6.99    |
| 8.0%                        | \$8.36          | \$7.72    | \$7.34    |
| 8.5%                        | \$8.68          | \$8.05    | \$7.69    |
| 9.0%                        | \$9.00          | \$8.40    | \$8.05    |
| 9.5%                        | \$9.33          | \$8.74    | \$8.41    |
| 10.0%                       | \$9.66          | \$9.09    | \$8.78    |
| 10.5%                       | \$9.99          | \$9.45    | \$9.15    |
| 11.0%                       | \$10.33         | \$9.81    | \$9.53    |
| 11.5%                       | \$10.66         | \$10.16   | \$9.90    |
| 12.0%                       | \$11.01         | \$10.53   | \$10.29   |
| 12.5%                       | \$11.36         | \$10.9    | \$10.67   |
| 13.0%                       | \$11.72         | \$11.28   | \$11.06   |
| 13.5%                       | \$12.07         | \$11.66   | \$11.45   |
| 14.0%                       | \$12.44         | \$12.04   | \$11.85   |
| 14.5%                       | \$12.80         | \$12.42   | \$12.25   |
| 15.0%                       | \$13.17         | \$12.81   | \$12.64   |
| 15.5%                       | \$13.54         | \$13.20   | \$13.05   |