Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

**Writing Assessment: Mortgages**

Most newcomers want to buy a new home in Canada. It is a good financial investment and makes settling in a new country much easier. Owning our own home makes us feel more secure and a permanent part of our new country.

The first thing that you must do before you find that perfect home is determine whether or not you are financially ready. You need to calculate your net worth. Your net worth is the amount remaining after you have subtracted your total liabilities (money you owe) from your assets (money you have). Then, you need to determine how much you have for a down payment. The down payment is the amount of money that you have to pay as a lump sum. The higher your down payment, the lower your mortgage will be. Finally you will be ready to figure out the monthly mortgage payment you can afford. Your mortgage payment should not be any more than 32% of your gross monthly income. The amount of mortgage you can qualify for at a bank will be determined by your net worth and the amount of your down payment.

There are a few different ways to find a home to purchase. The traditional way to buy a home is to go through a real estate agent. The seller hires a real-estate agent to sell their home. You ask a real estate agent to help you to find a home to buy. Another way to buy a home is to search through the newspapers or real estate magazines for homes. Real estate magazines are often free and hold a lot of information. Additionally, a person can use the many real estate websites, which allow quick searches of available properties.

Once you find a home you like, the purchase of the home begins. You will make an offer and provide a 5% deposit that will become part of the down payment. You will need to make arrangements for the financing. It usually takes at least five days to arrange a mortgage, if you need one. At this time, it is also very important for you to arrange a home inspection. A home inspection will let you know how well the house was built if the house is in need of repairs and the estimated cost of these repairs.

Lastly, the lawyer will close the deal. Your lawyer will check that the owner legally owns the property, and that he or she does not owe money for property taxes or utilities. Your lawyer will ask you to pay the difference between the deposit and the down payment you owe. You will also have to pay transfer tax and lawyer’s fees. After the closing, the lawyer will give you the keys and copies of all documents related to the sale.

Congratulations! You are then a new home owner.

\*Vocabulary: **assets** (things you own that have a money value); **liabilities** (money you owe); **net worth** (the total amount of money you have); **gross income** (total income before taxes)

\*Note: This page is intentionally left blank. Learners MUST return the article to the teacher, when the assessment is completed.

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Instructions: 1) Fill in the blanks with the correct supporting ideas. 2) Complete sentences are NOT necessary.

3) You will have 45 minutes to complete the assessment

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| --- | --- | --- |
|  | | Points |
| Introduction: Most newcomers want to own their own homes | | (example) |
| 1. Determine if you are financially ready    1. Calculate your net worth    2. How much you have for a down payment    3. Monthly mortgage payment you can afford (max. 32% of gross income)… | | (example)  (example)  (example)  (example) |
| 1. Ways to find a home to purchase    1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    2. Look by yourself       1. Search newspapers or real estate magazines       2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | (example)  1  (example)  (example)  1 |
| 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    1. Make and offer and deposit 5%    2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_       1. Check construction       2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_       3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | 1  (example)  1  1  (example)  1  1 |
| 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    1. The lawyer checks that…       1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_       2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | 1  (example)  1  1  1  1  1 |
| 1. (Article’s conclusion) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | 1 |
| Achieved: 󠄀󠄀 Not Yet: 󠄀󠄀 (pass = 10/14) | Total | /14 |

**Answers** (may vary)

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| --- | --- |
|  | Points |
| Introduction: Most newcomers want to own their own homes |  |
| 1. Determine if you are financially ready……………………………………………….    1. Calculate your net worth……………………………………………………..    2. How much you have for a down payment…………    3. Monthly mortgage payment you can afford (max. 32% of gross income) | (example)  (example)  (example)  (example) |
| 1. Ways to find a home to purchase………………………………………..    1. **Go through a real estate agent……………………………………………**    2. Look by yourself…………………………………………………………………..       1. search newspapers or real estate magazines…………       2. **search using the Internet…………………………………………** | (example)  1  (example)  (example)  1 |
| 1. **The purchase begins…………………………………………………………………………**    1. make and offer and deposit 5%..............................................    2. **make arrangements for the financing………………………………..**    3. **plan a home inspection………………………………………………………**       1. check construction       2. **what needs to be repaired**       3. **estimated repair costs** | 1  (example)  1  1  (example)  1  1 |
| 1. **The lawyer will close the deal………………………………………………….**    1. the lawyer checks that……………………………………………………….       1. **the owners truly own the property………………………**       2. **the owners do not owe any money for the house…**    2. **you to pay the difference between the deposit and the down payment owing…………………………………………………………………**    3. **you will also have to pay transfer tax and lawyer’s fees…….**    4. **the lawyer will give you the keys and copies of all documents related to the sale…………………………………………** | 1  (example)  1  1  1  1  1 |
| 1. (Article’s conclusion) **You are then a new home owner!** | 1 |