

The Road To Homeownership Quiz

1. What are closing costs?:

- Fees required to obtain a mortgage and transfer ownership of the home
- Fees you must pay to your real estate agent
- Fees the seller must pay to the county

2. What is one way that you may be able to purchase a home with a down payment of less than 20%?

- Negotiate with the seller to accept a smaller down payment
- Obtain private mortgage insurance
- Assure the lender that you will make up the 20% over the next year

3. PITI stands for:

- Purchase, information, trust, investment
- Payback, income, transaction, inventory
- Principal, interest, taxes, and insurance

4. A _____ mortgage has an interest rate and payment that remain constant over the life of the loan:

- Fixed-rate
- Adjustable rate
- Interest only

5. To determine the loan amount you qualify for, a lender will calculate:

- Housing expense and total debt ratios
- Asset and liability ratios
- Earnings and eligibility ratios

6. Which is a true statement regarding taxes and homeownership?

- Only mortgage interest is deductible on your income taxes
- Mortgage interest and property taxes are deductible on your income taxes
- Mortgage interest, property taxes, and homeowners insurance are deductible on your income taxes

7. It is recommended that you check your credit reports for errors at least _____ before you plan to apply for financing:

- 6 months
- 60 days
- 30 days

8. To improve your credit score:

- Avoid using credit for at least one year before you plan to purchase a home
- Close all old accounts
- Make your payments on time and keep your balances low

9. A seller will know that your financing is in place if you have a loan _____:

- Pre-qualification
- Pre-approval
- Pre-accumulation

10. When buying a home, you have _____ hours to review the paperwork before closing:

- 24
- 48
- 36