| NGPF_LG.png | ***NGPF Activity Bank******Types of Credit*** |
| --- | --- |

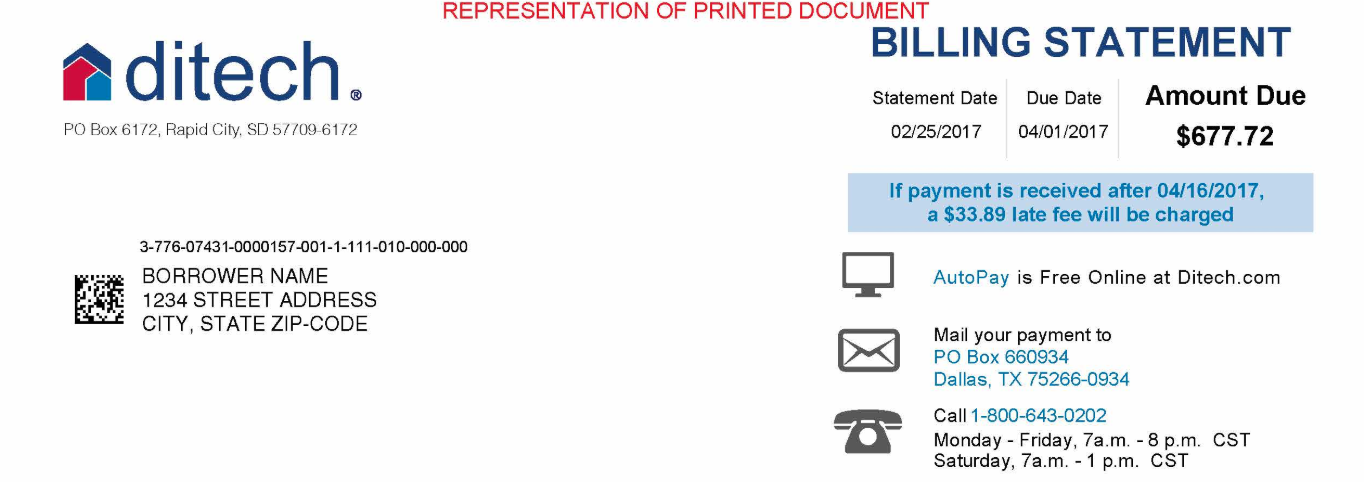
### FINE PRINT: Mortgage Bill

| * **Teacher Tip:** If you prefer to administer this activity using a Google Form, please see the answer key for the Google form link. You can find this on the [Unit Page](https://www.ngpf.org/curriculum/types-of-credit/?activityId=318&type=activities) this resource is in. |
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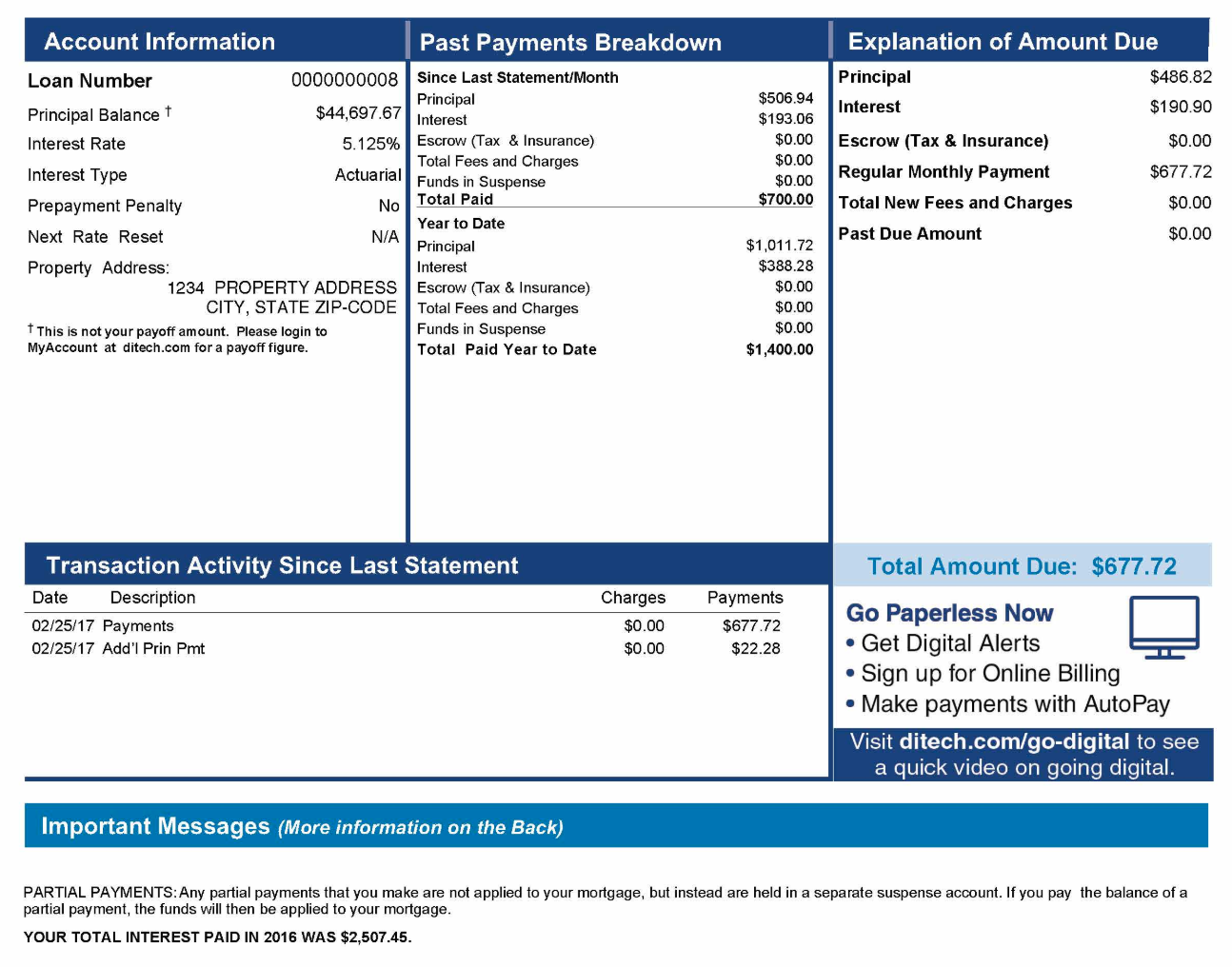
In this activity, you will explore a mortgage bill in more detail to understand its various components. Then, you will answer questions using the sample mortgage bill below.

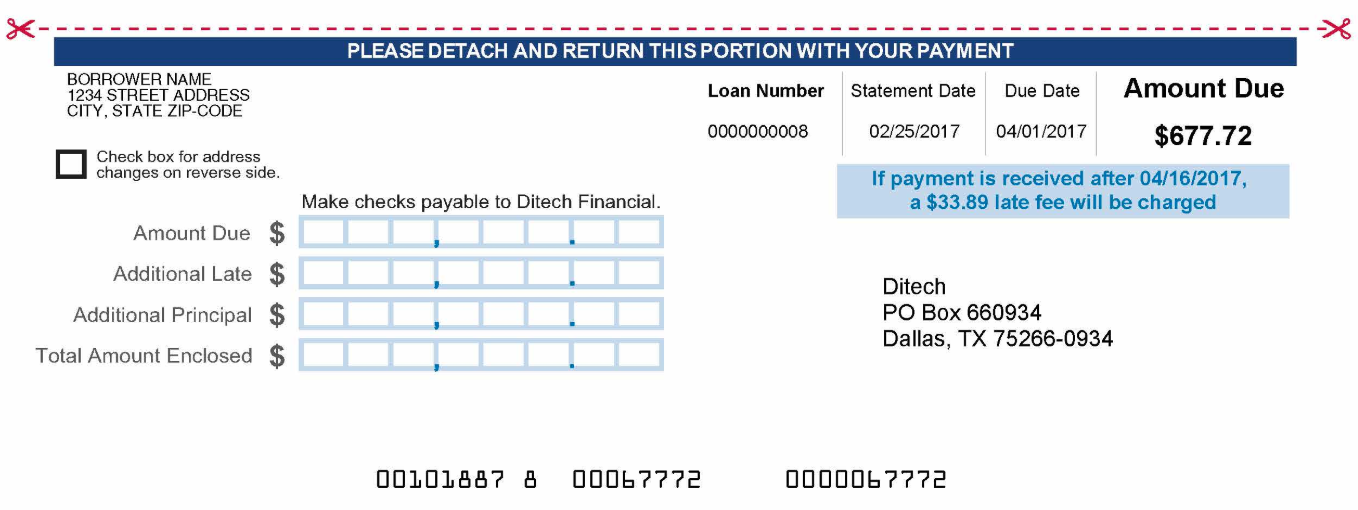
### **Part I: Read The Fine Print**

### Analyze this sample mortgage bill and answer the questions that follow.



[bill continues on next page]



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[questions on next page]

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1. Who is the mortgage servicer on this mortgage statement?
   1. It’s not listed -- it just says “BORROWER NAME”
   2. Ditech Financial
   3. Rapid City, SD
   4. It’s not listed -- it just says “CITY, STATE ZIP-CODE”
2. What is the amount due on this month’s mortgage billing statement?
   1. $190.90
   2. $486.82
   3. $677.72
   4. $44,697.67
3. Which statement about the due date is most accurate?
   1. Payment is due 2/25/2017, but the servicer won’t charge a fee unless they pay after 4/1/2017
   2. Payment is due 4/1/2017, and there is no fee if they pay late
   3. Payment is due 4/1/2017, and the servicer will charge a fee if they pay after that date
   4. Payment is due 4/1/2017, but the servicer won’t charge a fee unless they pay after 4/16/2017
4. How much of the original principal balance does the borrower still owe?
   1. $486.82
   2. $677.72
   3. $1,400.00
   4. $44,697.67
5. What interest rate is the borrower paying on this mortgage?
   1. You cannot tell from this bill
   2. 5.125%, and it is not scheduled to change
   3. 5.125%, but it changes every month
   4. 190%
6. How much money has the borrower paid this year on the mortgage?
7. $506.94
8. $677.72
9. $700.00
10. $1400.00
11. What are the borrower’s options for how they can pay this mortgage bill?
    1. It must be paid by check
    2. It must be paid in cash
    3. It must be paid online on the ditech website
    4. It can be paid by check or online on the servicer website
12. Early in a mortgage repayment schedule, most of the payment goes toward interest and a tiny bit goes toward principal. As months go on, the interest and principal payments even out. Then, late in the mortgage schedule, most of the payment goes toward principal and a smaller bit goes toward interest, until the entire bill is paid off. Knowing that, where is this borrower in their mortgage repayment schedule?
    1. They have just started paying their mortgage this year
    2. They are early in their mortgage repayment plan
    3. They are late in their mortgage repayment plan
    4. You cannot tell from this mortgage statement
13. How much has this borrower been charged in fees?
    1. $0
    2. $22.28
    3. $190.90
    4. $677.72
14. Which statement best describes the payment the borrower made last month?
    1. The borrower paid less than the minimum amount due
    2. The borrower paid exactly the minimum amount due
    3. The borrower paid more than the minimum amount due
    4. The borrower paid off the entire mortgage

**Part II: What Did You Learn?**

Use what you learned from analyzing the mortgage bill to answer this question.

1. List three pieces of information listed in a mortgage bill that you believe are important to review when receiving the statement. Explain why you chose these three areas.