WARM UP

Define the terms

Weekly
Biweekly
Semimonthly
Monthly
Bimonthly
Quarterly
Semiannually

WEEK

- Today 4-1
- Tom go over test
- Wed 4-2
- Thursday (absent) wkst on 4-1 and 4-2
- Friday Quiz on 4-1 and 4-2

Consumer Finance

Chapter 4: Managing a Household
Lesson 1: Renting a Home

4-1 VOCAB

- **Landlord** a person who owns and rents property to other people
- **Lease** a contract to rent property
- **Annual** Yearly; relating to a period of 12 months

Directions

- Find annual salary then divide by 52
  - U should spend 1 week earnings on rent
  - This saves you money for other bills and food etc.

I DO

- Calculate the maximum amount of money that should be spent on rent
- 1. $1300 per month
- 2. $14,000 per year
- 3. $566 bi weekly
- 4. $24,575 per year

You do

- Calculate the maximum amount of money that should be spent on rent
- 1. $1500 per month
- 2. $32,000 per year
- 3. $820 bi weekly
- 4. $22,456 per year

Directions

- Multiply by 40
  - U should spend 1 week earning on rent

I do

- Find the maximum amount of money the person can spend on rent
- 1. $6.90 per hour
- 2. $8.85 per hour
- 3. $14.00 per hour
- 4. $8.39 per hour

We Do

- Find the maximum amount of money the person can spend on rent
- 1. $9.80 per hour
- 2. $16.00 per hour
- 3. $7.35 per hour
- 4. $8.25 per hour

Directions

Multiply by 12

I DO

- Find the annual rent paid for each monthly rent
- 1. $640.00
- 2. $256.50
- 3. $488.88
- 4. $248.90

You Do

- Find the annual rent paid for each monthly rent
- 1. $307.00
- 2. $456.36
- 3. $367.89
- 4. $1,275.00

REVIEW

- Today we learned how to calculate rental charges and amount of money spent on rent per year

HOMEWORK

- Find the maximum amount of rent aloud to spend
- 1. $8,146 per month
- 2. $1,256 every two weeks
- 3. $18,450 annually
- 4. $3,549 monthly
- 5. $2,894 biweekly

Renting a Home

EXAMPLE **Renter's Rule** You should spend no more than one week's income for a month's rent. Xavier earns $2,080 per month. What is the maximum amount that he should pay for rent?

There are about 4.3 weeks in each month. To estimate Xavier 's weekly income, divide his monthly income by 4.3

$$4.3\overline{)\$2{,}080.00} \quad \$483.72$$

Xavier can afford to spend about $484 dollars per month for rent.

Directions Use the renter's rule to find the maximum amount that should be spent for rent with each of these incomes. Remember that 1 year equals 12 months or 52 weeks. Round answers to the nearest dollar.

	Renter	Income	Maximum Amount for Rent
1.	Makayla	$8,146 per month	
2.	Jared	$1,256 every two weeks	
3.	Brooke	$18,450 annually	
4.	Marissa	$3,549 monthly	
5.	Ian	$2,894 biweekly	
6.	Marcus	$6,268 per month	
7.	Devin	$44,000 annually	
8.	Eduardo	$2,025 every two weeks	
9.	Vanessa	$1,563 monthly	
10.	Miguel	$28,800 annually	
11.	Wyatt	$3,095 monthly	
12.	Isabelle	$42,970 annually	
13.	Lucas	$940 every two weeks	
14.	Alexandria	$3,564 monthly	
15.	Shelby	$40,600 annually	
16.	Trinity	$2,335 every two weeks	
17.	Kimberly	$4,040 monthly	
18.	Blake	$800 twice a month	
19.	Antonio	$955 twice a month	
20.	Fernando	$32,684 annually	

WARM UP

Compare and contrast renting a home vs buying a home

Consumer Finance

Chapter 4: Managing a Household
Lesson 2: Buying a Home

4-2 VOCAB

- **Down Payment** Part of the price paid at the time of the purchase
- **Financed** Borrowed
- **Mortgage** A property loan
- **Principle** The amount of money loaned to a creditor
- **Interest** A payment charged to the borrower for the use of money

DIRECTIONS

- Multiply Annual salary by banker's rule
  - Banker's Rule
    - A person may borrow up to 2.5 times the annual income

I DO

- Calculate the amount of money a person can borrow from a bank given their annual salary
- 1. $26,000
- 2. $32,870
- 3. $63,560

WE DO

- Calculate the amount of money a person can borrow from a bank given their annual salary
- 1. $26,750
- 2. $85,720
- 3. $45,250

You Do

- Calculate the amount of money a person can borrow from a bank given their annual salary
- 1. $18,440
- 2. $24,390
- 3. $48,280

DIRECTIONS

- How many hours are in a week?
- How many weeks are in a year?
  - Multiply those 2 answers together
    - This is your multiplying number
- Then multiply by bankers rule

I DO

- Find the amount borrowed for each hourly wage
- 1. $6.00
- 2. $8.00
- 3. $6.49

WE DO

- Find the amount borrowed for each hourly wage
- 1. $8.32
- 2. $13.25
- 3. $7.95

You Do

- Find the amount borrowed for each hourly wage
- 1. $7.35
- 2. $11.00
- 3. $8.25

DIRECTIONS

- Divide amount of the mortgage by banker's rule
  - Banker's Rule
    - A person may borrow up to 2.5 times the annual income

I DO

- Find the minimum annual income needed for these mortgages
- 1. $35,000
- 2. $40,000
- 3. $80,000

WE DO

- Find the minimum annual income needed for these mortgages
- 1. $45,000
- 2. $62,750
- 3. $125,500

You Do

- Find the minimum annual income needed for these mortgages
- 1. $75,000
- 2. $60,000
- 3. $56,000

REVIEW

- Today we learned how to calculate the amount of money a person can borrow from a bank and the minimum salary needed to mortgage a home

HOMEWORK

- **Find ANNUAL INCOME and Maximum amount of money that can be borrowed**
- **1.** Makayla $8,146 per month
- **2.** Jared $1,256 every two weeks
- **3.** Brooke $18,450 annually
- **4.** Marissa $3,549 monthly
- **5.** Ian $2,894 biweekly

Buying a Home

EXAMPLE **Banker's Rule** You may borrow up to 2.5 times your annual income. Arianna is buying a home. Her weekly income is $900. What is the maximum amount that she may borrow?

Step 1: Find annual income

$900 weekly income
× 52 weeks in a year
$46,800 annual income

Step 2: Apply the Banker's Rule

$46,800
× 2.5
$117,000

Arianna may borrow up to $117,000.

Directions Use the Banker's Rule to find the maximum amount that may be borrowed with each of these incomes. Remember that 1 year equals 12 months or 52 weeks. Round answers to the nearest dollar.

	Renter	Income	Annual Income	Maximum Able to Borrow
1.	Makayla	$8,146 per month		
2.	Jared	$1,256 every two weeks		
3.	Brooke	$18,450 annually		
4.	Marissa	$3,549 monthly		
5.	Ian	$2,894 biweekly		
6.	Marcus	$6,268 per month		
7.	Devin	$44,000 annually		
8.	Eduardo	$2,025 every two weeks		
9.	Vanessa	$1,563 monthly		
10.	Miguel	$28,800 annually		
11.	Wyatt	$3,095 monthly		
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14.	Alexandria	$3,564 monthly		
15.	Shelby	$40,600 annually		
16.	Trinity	$2,335 every two weeks		
17.	Kimberly	$4,040 monthly		
18.	Blake	$800 twice a month		
19.	Antonio	$955 twice a month		
20.	Fernando	$32,684 annually		

WARM UP

Change % to decimal

1. 15%
2. 34%
3. 28%

Solve

4. 125,000 x .25
5. 436,500 x .30

Consumer Finance

Chapter 4: Managing a Household

Lesson 3: Computing Down Payment

4-3 VOCAB

- NONE when a person has zero definitions to copy down in their note

Directions

- Change % to a decimal
- Multiply decimal and Cost = Down Payment (DP)
- Subtract Cost – DP = Mortgage

I DO

- Calculate the DP and Mortgage

	Cost	Rate of DP
1.	$125,900	15%
2.	$135,600	20%
3.	$245,000	30%
4.	$357,500	25%

WE DO

- Calculate the DP and Mortgage

	Cost	Rate of DP
1.	$85,750	20%
2.	$195,350	17%
3.	$495,830	19%
4.	$723,250	32%

You Do

- Calculate the DP and Mortgage

	Cost	Rate of DP
1.	$158,999	23%
2.	$293,725	37%
3.	$645,190	17%
4.	$725,750	28%

REVIEW

- Today we learned how to calculate down payment and mortgages

HOMEWORK

- Calculate the DP and Mortgage

	Cost	Rate of DP
1.	$350,000	15%
2.	$475,250	20%
3.	$500,250	34%
4.	$850,200	23%

Computing the Down Payment

EXAMPLE Jesus Morales decided to purchase a townhouse. The price is $83,500. What is his 18% down payment? How much is left to mortgage?

Step 1 Find the down payment

$$\begin{array}{r} \$83{,}500 \\ \times .18 \\ \hline \$15{,}030.00 \end{array}$$

Step 2 Find amount to mortgage

$$\begin{array}{r} \$83{,}500 \\ -\ 15{,}030 \\ \hline \$68{,}470 \end{array}$$

Jesus will make a $15,030 down payment and mortgage the rest, $68,470.

Directions Find the amount of the down payment and the amount of the mortgage for each townhouse.

	Cost of House	Rate of Down Payment	Down Payment	Mortgage
1.	$53,000	10%		
2.	$65,000	15%		
3.	$67,500	20%		
4.	$69,900	30%		
5.	$74,500	10%		
6.	$86,000	5%		
7.	$99,900	20%		
8.	$101,000	18%		
9.	$105,995	22%		
10.	$109,900	19%		
11.	$115,000	10%		
12.	$116,900	20%		
13.	$118,000	30%		
14.	$119,000	25%		
15.	$120,000	14%		
16.	$123,500	17%		
17.	$125,999	21%		
18.	$159,000	14%		
19.	$179,900	30%		
20.	$180,000	75%		