

Name _____

Home Sweet Budget: How to Determine Your Home Buying Budget

Multiple Choice Questions

1. What is the recommended percentage of your monthly income that should be allocated towards housing expenses?
 - a) 10%
 - b) 30%
 - c) 50%
 - d) 70%

2. What is a down payment when buying a home?
 - a) The final payment for a house
 - b) The payment to the real estate agent
 - c) The initial amount paid when purchasing a house
 - d) The monthly mortgage payment

3. Why is it important to consider additional costs when determining your home buying budget?
 - a) Additional costs are optional, and you can choose not to pay them.
 - b) Additional costs are paid only after you move into the new house.
 - c) Additional costs can significantly impact your monthly housing expenses.
 - d) Additional costs are always covered by the seller.

4. What does it mean to get pre-approved for a mortgage?
 - a) Choosing the perfect house before applying for a loan
 - b) Reviewing your financial information to determine the maximum loan amount a lender is willing to offer you
 - c) Paying off your current debts before applying for a mortgage
 - d) Selling your existing home to buy a new one

5. Why is having an emergency fund important when buying a home?
 - a) It's not important; you can use credit cards for emergencies.
 - b) An emergency fund can help cover unexpected expenses without affecting your budget.
 - c) You can use the emergency fund to make a larger down payment.
 - d) It's a requirement by law when purchasing a home.

