

Name _____

Unlocking the Mystery of Mortgages: How to Apply for Your Dream Home

Multiple Choice Questions

1. What is collateral in a mortgage?
 - a) The lender's office
 - b) Something valuable you promise to give the lender if you can't repay the loan
 - c) The mortgage application form
 - d) The keys to your new home

2. What is the purpose of getting pre-approved for a mortgage?
 - a) To guarantee you'll get the house you want
 - b) To show sellers that you're a serious buyer and narrow down your house search
 - c) To avoid paying closing costs
 - d) To choose the type of mortgage you want

3. What is a fixed-rate mortgage?
 - a) A mortgage where your interest rate changes over time
 - b) A mortgage where your interest rate remains the same throughout the loan term
 - c) A mortgage without closing costs
 - d) A mortgage only available to certain buyers

4. What are closing costs in a mortgage?
 - a) The fees for services like appraisals and inspections
 - b) The monthly mortgage payments
 - c) The down payment on the house
 - d) The interest paid on the loan

5. Who reviews your mortgage application to ensure you meet the lender's requirements?
 - a) Your real estate agent
 - b) The seller of the house
 - c) The lender's underwriter
 - d) Your family members

