

# American Eagle Credit Union: Housing

Welcome to American Eagle Credit Union.

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**Welcome to  
American Eagle Credit Union!**

Most people don't have the savings to buy a home, so they borrow the money. This type of loan is called a "mortgage."

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**Mortgage**

**There are many factors that influence the size of your mortgage and your monthly payment.**

Give each student a "monopoly" card. (Be sure to hand out all cards; some students may receive two).

Take a few seconds to read your cards.

Click on next slide.

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**Monopoly Cards**

# American Eagle Credit Union: Housing

Who has the Beltic Ave and Perk Place cards? Compare and contrast your information. (*Same house, but Perk Place is more expensive.*)

What are some reasons why this might occur.

Click on next slide for answers.

BELTIC AVE.	PERK PLACE
<b>\$259,000</b>	<b>\$429,000</b>
Three bedrooms	Three bedrooms
Two bathrooms	Two bathrooms
Living room	Living room
Dining Room	Dining Room
Eat-in Kitchen	Eat-in Kitchen
Family Room	Family Room
Garage and Basement	Garage and Basement

Point out the similarities and differences.

For example: New York City vs St Louis

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BELTIC AVE.	PERK PLACE
<b>\$259,000</b>	<b>\$429,000</b>
Three bedrooms	Three bedrooms
Two bathrooms	Two bathrooms
Living room	Living room
Dining Room	Dining Room
Eat-in Kitchen	Eat-in Kitchen
Family Room	Family Room
Garage and Basement	Garage and Basement

**same house, but they are in different locations**

Who has Laclede Ave and Lafayette St cards? Compare and contrast.

Click for next slide.

LACLEDE AVE.	LAFAYETTE ST.
<b>Mortgage Payment: \$1,014.51</b>	<b>Mortgage Payment: \$1,571.54</b>
Loan: \$212,500	Loan: \$212,500
Interest rate: 4%	Interest rate: 4%
30-year loan	15-year loan

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Point out the similarities and differences.

*The 30-year mortgage has a lower monthly payment, but will cost \$82,292 more over the life of the loan!*

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LACLEDE AVE.	LAFAYETTE ST.
Mortgage Payment: \$1,014.51	Mortgage Payment: \$1,571.84
Loan: \$212,500	Loan: \$212,500
Interest rate: 4%	Interest rate: 4%
30-year loan	15-year loan

same loan amount and interest rate, but higher monthly payment for 15-year vs. 30 year loan

Who has 215 Bench St. cards? Compare and contrast.

Why are the mortgage payments different?

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215 BENCH ST.	215 BENCH ST.
House Price: \$189,700	House Price: \$189,700
Mortgage Payment: \$834.90	Mortgage Payment: \$707.14
Loan: \$170,730	Loan: \$151,760
Interest rate: 4.2%	Interest rate: 3.8%
30-year loan	30-year loan

Point out the similarities and differences.

Explain that a larger down payment will reduce the mortgage amount, interest rate, and monthly payments.

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215 BENCH ST.	215 BENCH ST.
House Price: \$189,700	House Price: \$189,700
Mortgage Payment: \$834.90	Mortgage Payment: \$707.14
Loan: \$170,730	Loan: \$151,760
Interest rate: 4.2%	Interest rate: 3.8%
30-year loan	30-year loan

same house, lower loan amount and interest rate with larger down payment

Who has Main and Second St. Cards? Compare and contrast.

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MAIN ST.	SECOND ST.
Mortgage Payment: \$1,193.54	Mortgage Payment: \$1,372.78
Loan: 250,000	Loan: \$250,000
Interest rate: 4%	Interest rate: 5.2%
30-year loan	30-year loan
Credit Score: 750	Credit Score: 650

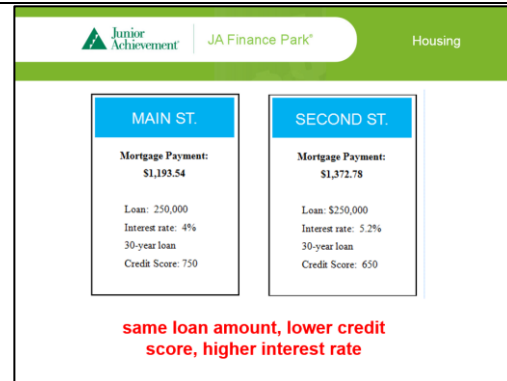
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Point out the similarities and differences.

Point out that poor credit scores translate into higher interest rates and monthly payments.

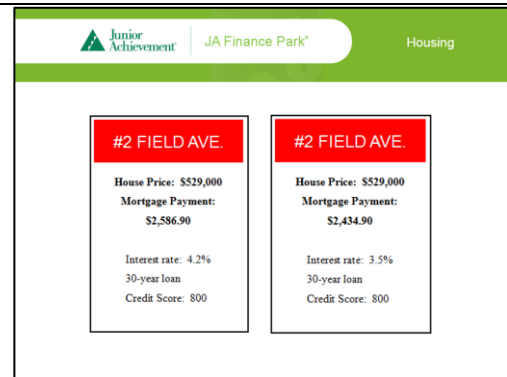
**Good credit matters!!**

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Who has #2 Field Ave. card? Compare and contrast. *(Everything the same except for interest rates.)*

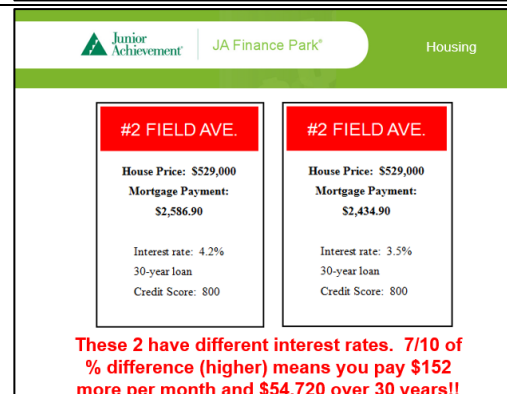
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Point out the similarities and differences.

The higher percentage means \$152 more per month and a greater total cost of \$54,720 over 30 years.

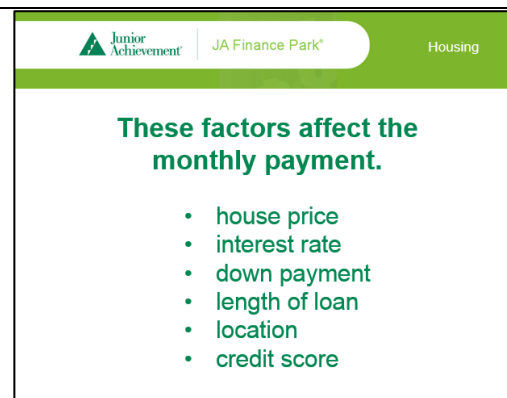
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Summarize the points that have been shown by the cards.

Collect cards.

Click on the next slide.



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After the group leaves, return to the first slide.



JA Finance Park®

Housing

Business ID: 415

American Eagle Credit Union  
Mortgage

Business ID: 369