Name____ Date________________

Lesson 4—Handout 1

Guided Notes

Lesson 4 vocabulary

Renters insurance—Insurance to protect personal property while leasing.

Landlord—The owner of property that is leased or rented to another.

Tenant—One who rents or leases a property from a landlord.

Lease agreements—Rental agreements.

Property value—The estimated price of a property.

Mortgage—A loan a homebuyer obtains if unable to pay cash for a home.

Homeowners insurance—Insurance a person purchases to protect the contents and structure of a home.

Equity—The difference between the appraised value and the balance on the mortgage loan.

Brainstorm and write down whether you would prefer to own or rent housing if you had the financial resources to do so.

List five common sections that can be found in a lease agreement.

Besides estimating the property value, how else are appraisals used?

Name____ Date__________________

Lesson 4—Handout 1

Guided Notes (Cont.)

What does homeowners insurance cover? Why would it be important to have homeowners insurance?

Describe positive and negative equity.

Brainstorm and list what would happen to equity if the appraisal value decreases. How would this affect a homeowner's net worth?

Are the responsibilities of homeowners the same as renters? Explain.

Name____ Date____________

Lesson 4—Handout 1

Guided Notes (Cont.)

Fill in the blanks below:

Owning Costs Versus Benefits

Costs

- Mortgage.
- ______________________________
- Homeowners insurance.
- Property taxes.
- ______________________________
- Down payment.

Benefits

- Potential to build worth through equity.
- ______________________________
- ______________________________
- Income tax deductions.

Renting Costs Versus Benefits

Costs

- ______________________________
- No equity or opportunity for an increase in net worth.
- Restrictions on activities per lease agreements.
- ______________________________

Benefits

- ______________________________
- No risk of not being able to sell.
- No property taxes.
- ______________________________