

INCLUDES
2 ACTIVITIES

BUYING A HOME

REALITY CHECK ACTIVITIES

Engaging!
NO PREP!

An excellent way to
show how your
credit score matters
when buying a
home

Students learn
about amortization

*Includes an Instructional
Video for the teacher*



BUSINESS EDUCATION WITH *Denise Leigh*

Activity 1 – Excel Loan Amortization Scenario

Excel Loan Amortization Scenario

Good vs Bad Credit...Extra Payments vs Minimum Payments

Jacob has good credit! He is excited about buying his own home. He found the perfect home! It's a three bedroom, 2 bath, with the big backyard that he always wanted. The house is \$320,000. He paid a \$64,000 (20%) down-payment. The bank approved his loan for the remaining balance of \$256,000 at a 3% interest rate on a 30-year fixed loan. He will make monthly payments and he does not plan on making any extra payments. Using the Excel loan amortization chart, fill in the data with Jacob's loan terms. Use today's date as the start date.

- How much will his payment be each month? _____
- How much will he end paying back in interest during the life of the loan? _____
- How much of his payment goes toward principal after he has paid on his loan for 2 years? _____
- How much of his payment goes toward principal after he has paid on his loan for 20 years? _____
- How much will Jacob pay for the **IN TOTAL** under these loan conditions? _____
- If Jacob made an extra \$100 payment A MONTH, how much will he pay in interest during the life of the loan? _____
- What would be Jacob's savings if he made these extra payments? _____
- If Jacob had bad credit and would qualify for a loan of 8.5%, what would his payment be if all other information remained the same? (making no extra payments) _____
- How much would he payback in interest for a 30 year loan on that 8.5% loan? _____



Business Ed With Denise Leigh © 2023

NO PREP! SAVES YOU TIME!

Activity 2 – Student Go House Shopping WebQuest

Home Buying WebQuest

Search for a home in your county. Use the following sites to find your home. <http://www.realtor.com/> www.Zillow.com

You have no budget. With your credit score of 720, you qualified for a 5% interest rate. You plan to take out a 30-year mortgage, you plan to make monthly payments, and you don't plan to make extra payments. Assume that you are borrowing the full amount of the home.

Complete a **loan amortization schedule** for home. Print out only the first page of the schedule and print the real estate listing for the property that you plan to purchase.

Complete the following activities:

- Highlight the price of the property in **yellow**.
- Highlight the monthly payment in **orange**.
- Circle the **total interest** that you will pay back in **red**.
- Calculate how much you will end up paying back (in principal and interest) after the 30 years. Write that number in **green** at the top of your Excel print-out.



Students do NOT need to know how to use Excel to do this activity.

However, an Excel template is used to get the data for this activity.

FileHomeInsertPage LayoutFormulasDataReviewViewHelpTable Design

Clipboard

Font

Alignment

Number

Styles

Cells

Editing

Analysis

Add-ins


CommentsShare

16

fx

=IF([@[Payment Number]]<>"",[@Beginning

Payment Number	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance	Unpaid Principal	Unpaid Interest	Total Unpaid
1	9/22/2023	\$100,000.00	\$733.76	\$68.00	\$665.77	\$99,334.23	\$733.76	\$68.00	\$801.76
2	10/22/2023	\$99,334.23	\$733.76	\$68.45	\$665.32	\$98,668.91	\$733.76	\$68.45	\$802.21
3	11/22/2023	\$98,668.91	\$733.76	\$68.91	\$664.86	\$97,997.36	\$733.76	\$68.91	\$802.67
4	12/22/2023	\$97,997.36	\$733.76	\$69.36	\$664.40	\$97,328.83	\$733.76	\$69.36	\$803.12
5	1/22/2024	\$97,328.83	\$733.76	\$69.83	\$663.94	\$96,660.01	\$733.76	\$69.83	\$803.59
6	2/22/2024	\$96,660.01	\$733.76						
7	3/22/2024	\$96,660.01	\$733.76						



Loan Amortization Schedule

Enter Values

Loan amount

Annual interest rate

Loan period in years

Number of payments per year

Start date of loan

Optional extra payments

This is my favorite lesson every year!

Students gasp when they see how much interest they will pay on a 30-year mortgage!

Teacher Testimonials



My students **really enjoy** when I talk about this topic - it is **real world stuff** that they really want to learn about.



This resource proved to be **invaluable!** The students found it **highly enjoyable** and were particularly **enthusiastic** about the Excel spreadsheet!



Love the activity after we completed Excel formulas. We worked through it as a class about mortgages and interest rates and why they matter.



My college level personal finance students are currently working on Denise's Home Buying Activity - and **LOVE IT!** Once again - **Denise's authentic learning tools** provide my students with an authentic learning experience!



Another great resource, thank you!! **I loved it** and the students did as well!

Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

