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Chapter 9: Housing—Checkpoint Solutions

Checkpoint 9.1

1. Viola, Kerry, and Ida agreed to share an apartment in order to reduce their living expenses. They found a three-bedroom apartment with a monthly rent of $1,435. If they divide the rent evenly, what is each person's share of the rent? Round your answer to the nearest cent ($0.01) if necessary.

   Answer: $478.33

2. Nadir and Jennifer Salazar are moving into a new apartment with a monthly rent of $950. They must pay a security deposit of $400 and a pet deposit of $250. According to their lease, they must pay the first and last month's rent up front. What will be the move-in costs for the Salazar's new apartment?

   Answer: $2,550

3. Tola is moving into a rental house. The owner wants Tola to pay a security deposit of $500 as well as the first and last month's rent. Tola's monthly rent is $865. What will be Tola's move-in costs for the rental house?

   Answer: $2,230

4. Keith lives in a rented condo and wants to purchase renters insurance with a premium of $285 per year. If he pays monthly, there will be an additional partial payment fee of $1.50. What will be Keith's monthly insurance bill? Round your answer to the nearest cent ($0.01) if necessary.

   Answer: $25.25

5. Shelley's apartment was recently burglarized. Her television and DVD player were stolen. Fortunately, Shelley has replacement cost renters insurance with a $250 deductible. The cost to replace her television and DVD player will be $695. Calculate the payment that Shelley will receive from her insurance company.

   Answer: $445

Checkpoint 9.2

1. Samir wants to purchase a house that has a selling price of $165,785. His bank requires a down payment of 18%. Calculate Samir's down payment and the amount that Samir will finance with his mortgage.

   Answer: down payment = $29,841.30
          amount of mortgage = $135,943.70

2. Huan and Mary Li want to purchase a house that has a selling price of $212,350. Their bank requires a down payment of 20%. Calculate the Li family's down payment and the amount that they will finance with their mortgage.

   Answer: down payment = $42,470
          amount of mortgage = $169,880

3. Grant and Deborah Collins are buying a new house. Their closing costs are itemized by their lender in the list that follows. What are the Collins' total closing costs?

   Answer: $3,463.08

4. Danek and Moira McPherson own a home. A portion of their tax statement is shown in the table that follows. According to their statement, they pay property taxes to five different taxing jurisdictions. Use the table to calculate the portion of the property taxes for each taxing jurisdiction.

   Answer: Norman Public Schools = $1,727.78
           Cleveland County = $437.23
        Multi-County Library Fund = $157.52
       Moore-Norman Vo-Tech Schools = $370.72
           City of Norman = $244.14

5. According to his recent electricity bill, Giovanni's electricity meter had a previous reading of 68,738 kilowatt hours and a current reading of 70,043 kilowatt hours. If his electric company charges $0.077 per kilowatt hour, what is the amount of Giovanni's electricity bill?

Answer: $100.49

Checkpoint 9.3

1. Jaleel is purchasing a new home. After making his down payment, he will need a mortgage for $165,750. Based on his credit score, he qualifies for a fixed rate 30-year mortgage with a 4.5% APR. Calculate Jaleel's monthly payment.

Answer: $842.01

2. Rhonda is purchasing a new home. After making her down payment, she will need a mortgage for $140,490. Based on her credit score, she qualifies for a fixed rate 30-year mortgage with a 6.5% APR. Calculate Rhonda's monthly payment.

Answer: $887.90

3. Arianne is purchasing a new home. After making her down payment, she will need to obtain a mortgage for $90,000. Based on her credit score, she qualifies for a fixed rate 30-year mortgage with a 5% APR. Calculate her monthly payment, the amount of her first monthly payment that is an interest payment, the amount that is applied to the principal, and the new loan balance.

Answer: monthly payment = $483.30
          interest payment = $375.03
         principal payment = $108.27
        new loan balance = $89,891.73

4. Logan is purchasing a new home. After making his down payment, he will need to obtain a mortgage for $120,000. Based on his credit score, he qualifies for a fixed rate 15-year mortgage with a 4.5% APR. Calculate his monthly payment, the amount of his first monthly payment that is an interest payment, the amount that is applied to the principal, and the new loan balance.

Answer: monthly payment = $918
                interest payment = $450
               principal payment = $468
             new loan balance = $119,532

5. Yvette currently has a 30-year mortgage with a 7.7% APR and a balance of $107,972.20. Her monthly payments are $784.26. She decided to refinance her mortgage with a 20-year mortgage that has a 4.5% APR. Calculate Yvette's new monthly payment.

Answer: $684.54