

Lesson 6.1 What is a Mortgage?

Goal: Investigate or research the features of mortgages

If available, research the topic of mortgages on the Internet. Useful resources include bank websites, the Canadian Mortgage and Housing Corporation, and the Government of Canada. Make sure the resource(s) you use contain Canadian content, as many mortgage features vary by country.



Answer the following questions:

1. **What is a mortgage?**
2. **Where can a mortgage be obtained?**
3. **What financial requirements must be met to qualify for a mortgage?**
4. **How is a mortgage maintained/repaid?**
5. **How often can mortgage payments be made?**
6. **What is the minimum down payment required for a mortgage?**
Conventional Mortgage:

High-Ratio Mortgage:
7. **What are the advantages / disadvantages of a large down payment vs. a small down payment?**



8. What is the difference between amortization period and term of a mortgage? What are commonly available?
9. What is difference between:
- a. Open or closed mortgage?

 - b. Fixed-rate or variable-rate mortgage?

 - c. Short-term or long-term mortgage?
10. How often is interest compounded?
11. What are the current rates on mortgages?
12. What sort of special features / special offers are there?