Economics

Calculating Your Mortgage

Directions: Figure out your monthly mortgage for the house of your choice on the Eastern Shore.

Choose a county on the Eastern Shore where you would like to buy a house.

Go to realtor.com or another real estate site, and find a specific house you like based on what you can afford. (Think about a job you might have in the future on the Shore, and what you’re likely to earn. Use the basic rule of how much you should spend to determine your price range.)

Go to <http://usmortgagecalculator.org/> and plug in the following to understand how much you’ll be paying each month for your house.

Cost of your home: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Down Payment: 3.5% (rate for an FHA loan – common choice for first time homeowners)

Current interest rates on 30 yr mortgages: 4.25%

Real Estate Tax Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (based on county; see links below)

Northampton Co Tax Rates

<http://www.co.northampton.va.us/gov/tax_rates.html>

Accomack Co Tax Rates

<http://www.co.accomack.va.us/about-us/tax-rates>

PMI (mortgage insurance): should be calculated for you based on the information you already entered

Home Insurance: should be calculated for you based on the information you already entered

Total Monthly Payment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How much will you really be paying for the house (by the time you’ve paid your entire loan)? \_\_\_\_\_\_\_\_\_\_\_\_\_\_