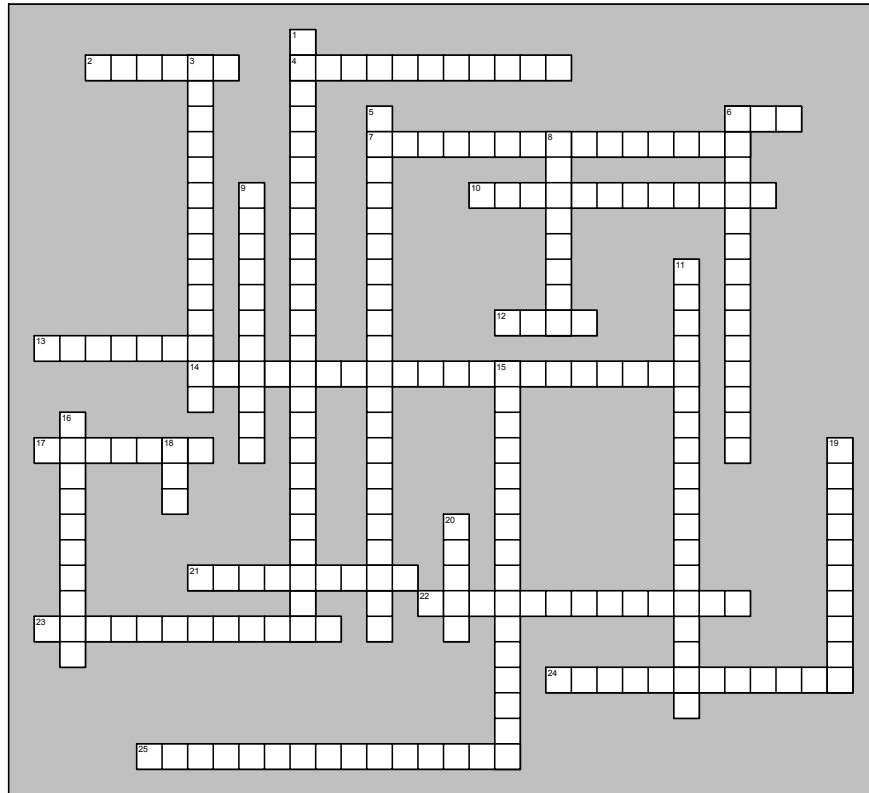


### Chapter 9: The Housing Decision: Factors and Finances



#### Across

2. Prepaid interest charged by a lending institution for the mortgage; each discount point is equal to 1 percent of the loan amount.
4. The process of obtaining a new mortgage on a home to get a lower interest rate.
6. A home loan agreement in which the borrower agrees to share the increased value of the home with the lender when the home is sold (abbreviation).
7. A loan based on the equity in a home, that provides elderly homeowners with tax-free income and is paid back with interest when the home is sold or the homeowner dies.
10. The reduction of a loan balance through payments made over a period of time.
12. A document that transfers ownership of property from one party to another.
13. An interest rate subsidy from a home builder or real estate developer that reduces a home buyer's mortgage payments during the first few years of the loan.
14. A fixed-rate, fixed-payment home loan with equal payments over 15, 20, or 30 years.
17. A limit on the increases and decreases in the interest rate charged on an adjustable-rate mortgage.
21. An estimate of the current value of a property.
22. Money, usually deposited with the lending financial institution, for the payment of property taxes and homeowner's insurance.
23. A portion of the price of a home that the buyer deposits as evidence of good faith to indicate a serious purchase offer.
24. Fees and charges paid when a real estate transaction is completed; also called "settlement costs."
25. A home loan with fixed monthly payments and a large final payment, usually after three, five, or seven years.

#### Down

1. A home financing agreement in which payments rise to different levels every 5 or 10 years during the loan term.
3. Insurance that, during the mortgage term, protects the owner or the lender against financial loss resulting from future defects in the title and from other unforeseen property claims not excluded by the policy.
5. A home loan agreement that provides for payment increases to allow the amount owed to be paid off more quickly.
6. A cash advance based on the paid-up value of a home; also called a home equity loan.
8. A long-term loan on a specific piece of property such as a home or other real estate.
9. An individually owned housing unit in a building with several such units.
11. A form of housing in which a building containing a number of housing units is owned by a nonprofit organization whose members rent the units.
15. A housing unit that is fully or partially assembled in a factory before being moved to the living site.
16. A limit on the payment increases for an adjustable-rate mortgage.
18. A home loan with an interest rate that can change during the mortgage term due to changes in market interest rates; also called a "flexible-rate mortgage" or a "variable-rate mortgage" (abbreviation).
19. Restrictions on how the property in an area can be used.
20. A legal document that defines the conditions of a rental agreement.