

June 26, 2018

– PILOT –

Welcome to the Primary Choice Homes Mini Homeowners Course!

This is a short course that goes over some basic terms in the area of finance and home-ownership. It is a free course and it can be done on your own time. Although it is short and may not take much time, it would be wise to pay close attention to the terms and ensure you understand them. You will get out of the course what you put into it. And this is true about many goals that people work towards in life.

Print out the course and work right on the space provided. When you are completed you can scan or take pictures of your completed answers and send them back to a representative of Primary Choice Homes. You will be awarded with a certificate for your completion. Feel free to use any resource you wish to gain a better understanding of any of the terms in this course.

The goal of this course is to get you educated on some of the basic terms of finance and home-ownership and get you on the road to learning more about financial success. Have fun!

Read: mortgage *noun* a legal agreement by which a bank, etc (the mortgagee) grants a client (the mortgager) a loan for the purpose of buying property, ownership of the property being held by the mortgagee until the loan is repaid;

Chambers 21st Century Dictionary

Explain the relationship between a bank and a client in regards to a mortgage for a home:

Sketch a diagram showing the timeline of a mortgage from beginning to end:

Read: amortize *verb* (***amortized, amortizing, amortization***) to gradually pay off (a debt) by regular payments of money

Chambers 21st Century Dictionary

Give some examples of assets that can be amortized:

Write an essay describing how amortization can aid a person or a business in life:

Read: principal *noun* the original sum of money on which interest is paid
Chambers 21st Century Dictionary

Give an example of a purchase and the principal for the asset, and what happens with interest over time:

Do a sketch of a principal and interest for a purchase:

Read: equity *noun* the excess in value of a property over the mortgage and other charges held on it.
Chambers 21st Century Dictionary

Make a list of things that would represent the value of a property, including things that may increase the value of a property over time (include the monetary value for each):

Work out some amounts for the mortgage and “other charges” that may be held on a property:

Now using the above two lists, work out the equity for your made-up property; you can adjust your above two lists or make different lists to see the relationship between the two lists:

Read: net worth *noun* the total wealth of an individual, taking account of all financial assets and liabilities (especially debts).

Oxford English Dictionary

Work out a list of some things that would make up a person's wealth, including monetary value:

Work out a list of things that would make up a person's financial liabilities:

Now using the above two lists, work out the net worth for your made-up person:

Read: cash flow *noun* the amount of money coming into and going out of a business, etc.
Chambers 21st Century Dictionary

Merriam Webster also defines *cash flow* as: a flow of cash; especially : one that provides solvency

Using the above concept of cash flow, how can you improve cash flow in your personal or business life?

Explain how you can use the above knowledge to reach your goals in life?
