**Lesson plan**

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| **Lesson Title (concept)** | Mortgage Basics |
| **Instructor** | Brooke Sutton |
| **Suggested grade level/course** | High School – Independent Living |
| **Time suggested** | 45 minutes |
| **National Standards addressed:**   * State the entire objective, not just the number   **State and/or local standards addressed:**   * State the entire objective, not just the number | 2.1.5 Apply consumer skills to decisions about housing, utilities, and furnishings.  3. Use the decision-making planning process to calculate expenses, savings and to manage finances.  5. Analyze economic use of resources. |
| **Rationale for the lesson:**   * Where does it fit into the unit plan? * Why are you choosing this activity/strategies? * How will you plan for differentiation? | This is the 3rd of 5 lessons preparing for the final assessment. The goal is to help understand the different components of a mortgage payment and how having a mortgage compares and contrasts with renting.  I chose to use an advance organizer to give students an opportunity to see what types of websites exist for information on mortgages.  Low performing students can use worksheets with prompts with each blank – for example, instead of “A lawn is typically made of \_\_\_\_\_\_\_.” It could be “A lawn is typically made of g\_\_\_\_\_\_\_ (5 letters).” High performing students could be given more open-ended questions instead of fill-in-the-blank. |
| **Content objective:**   * What will students know and be able to do at the end of the lesson? * Is the information or concept new to the students? | At the end of the lesson, students will recognize the components of a mortgage and be able to compare and contrast a mortgage with rent.  Most students have probably heard of rent and a mortgage but probably do not understand the differences. |
| **Assessment:**   * How will you know students can do the above? | The types/volume of questions asked in class and the answers on the worksheets and the questions remaining after discussion will give me an idea of whether students have grasped the appropriate concepts. |
| **Procedure/activities**   * Distribute worksheets to each individual. Then pair students up based on the month of their birthday. If more than 2 for a month, teacher assigns pairs within subgroup. * Go through the instructions, emphasizing that EVERY student will turn in a completed worksheet at the end of class. It is expected that they will cite their resources (a page number or general web address will do) * Allow pairs to begin working. After about 5-7 minutes, stop work to discuss the answers to 1 and 2. Ensure that students have the appropriate definitions of mortgage and rent before continuing. * Closely monitor pairs to ensure they are staying on task and to listen for common hang-up points. If many pairs are having a hard time on certain items, discuss as a class. * Once there are about 10-15 minutes remaining in class, have students return to their original seat and discuss remaining questions as a class. Listen for misconceptions and attempt to clarify. * Give students 1-2 minutes right before class is over to write down any questions that they still need answered. Be sure to address these at the beginning of class the next day. * Collect pages as students leave. | |

References and Resources

Please see the accompanying Mortgage Basics and Key worksheets.

<http://en.wikipedia.org/wiki/Escrow>

<http://en.wikipedia.org/wiki/Home_equity>

<http://www.iowa.gov/tax/educate/78573.html>

<http://www.bankrate.com/finance/mortgages/the-basics-of-private-mortgage-insurance-pmi.aspx>

<https://en.wikipedia.org/wiki/Homeowner_association>

<http://en.wikipedia.org/wiki/Home_insurance>

<http://www.bankrate.com/finance/insurance/hazard-insurance-need.aspx>

<http://www.homeloanlearningcenter.com/mortgagebasics/whatsinamortgagepayment.htm>

<http://education.yahoo.com/reference/dictionary/entry/rent>

<http://education.yahoo.com/reference/dictionary/entry/mortgage>

<http://en.wikipedia.org/wiki/Mortgage_loan>