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Lancaster Royal  
Grammar School

## PFP Erasmus+ Module 5: Mortgages

### Learning objectives and Scheme of work

The following scheme of work is for guidance only. Delivery of content will depend on time availability, teacher expertise and preference and pupil preference.

Week & Lesson	Subject content	What students need to learn:	suggested activities/resources  (add Kahoot, , case study eweb links, you tube/vid links	Teaching points to note
W1 L1	1.1: What is a mortgage	A: Definition of a mortgage B: What is a secured loan C: Minimum age to get a mortgage	<a href="https://www.moneyadvice.org.uk/en/articles/mortgages-a-beginners-guide">https://www.moneyadvice.org.uk/en/articles/mortgages-a-beginners-guide</a>  <a href="https://images6.moneysavingexpert.com/images/documents/FTB-Guide-latest.pdf">images6.moneysavingexpert.com/images/documents/FTB-Guide-latest.pdf</a>	This section can be covered relatively quickly.

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	1.2: The main types of mortgage	<p>A: Repayment mortgages</p> <p>B: Standard variable rate (SVR)</p> <p>C: fixed rate</p> <p>D: tracker</p> <p>E: offset</p> <p>F: discount rate</p> <p>G: Interest only</p>	<p><a href="https://www.moneyadvice.org.uk/en/articles/mortgages-a-beginners-guide#different-types-of-mortgage">https://www.moneyadvice.org.uk/en/articles/mortgages-a-beginners-guide#different-types-of-mortgage</a></p>	<p>The focus in this section could be on the SVR and fixed rates as they tend to dominate the market.</p>
	1.3: Choosing the most suitable mortgage	<p>A: Set up and redemption fees</p> <p>B: deposit size (LTV)</p> <p>C: attitude to risk</p> <p>D: interest rate and charging</p> <p>E: Flexibility of payments</p> <p>F: Length of any special deal</p> <p>G: What is the SVR after any deal ends</p>	<p>Review a popular lenders website to review some of its current mortgage deals.</p> <p><a href="https://www.hsbc.co.uk/1/2/mortgages">https://www.hsbc.co.uk/1/2/mortgages</a></p>	

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	1.4: Getting the best mortgage deal	A: Deposit size, disposable income, job security, credit score	<a href="http://www.thisismoney.co.uk/money/mortgageshome/article-1669264/How-best-mortgage-deal-you.html">http://www.thisismoney.co.uk/money/mortgageshome/article-1669264/How-best-mortgage-deal-you.html</a>	Recent government legislation has made the lending criteria more rigorous
	1.5: Mortgage comparison tools	A: Using comparison sites to assess a wide range of different mortgage types from a variety of lenders	<a href="https://www.moneyexpert.com/mortgages/">https://www.moneyexpert.com/mortgages/</a>	
W2 L2	1.6: Mortgage calculators	A: Online calculators and the ability to review  (i): Monthly payments  (ii): Changes in monthly payments and mortgage term to reflect different interest rates and different levels of over/under payment	<a href="https://www.hsbc.co.uk/1/2/mortgages/mortgage-calculators">https://www.hsbc.co.uk/1/2/mortgages/mortgage-calculators</a>	
	1.7: Sourcing a mortgage	A: Direct from lender, mortgage broker, Independent Financial Advisor (IFA)	Teacher notes	

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	1.8: The application process for a 1st time buyer	A: Mortgage application form (i): Affordability test and budget check (ii): Documentation review (iii): Mortgage contract signing B: Mortgage agreement in principal	<a href="http://www.bbc.co.uk/news/business-21062675">http://www.bbc.co.uk/news/business-21062675</a>	
	1.9: Mortgage payment insurance	A: reasons to purchase mortgage payment insurance B: sources of mortgage payment insurance	Teacher notes	
	1.10: Government assistance for 1 <sup>st</sup> time buyers	A: Help to buy equity loan B: Help to buy ISA	<a href="https://www.helptobuy.gov.uk/">https://www.helptobuy.gov.uk/</a>	
	1.11: How much can you borrow	A: A review of income multiples for different circumstances such as single person v married couple. The importance of 'affordability'.	Teacher notes	'Affordability' is now the key criteria

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	1.12: Costs of buying a home	<p>A: A review of the total cost of buying a home</p> <ul style="list-style-type: none"> <li>(i) Home cost</li> <li>(ii) Legal fees</li> <li>(iii) stamp duty</li> <li>(iv) mortgage set up fees, valuation and survey</li> </ul>	<p><a href="https://www.gov.uk/stamp-duty-land-tax/residential-property-rates">https://www.gov.uk/stamp-duty-land-tax/residential-property-rates</a></p>	
	1.13: Mortgage jargon	<p>A: Standard variable rate (SVR)            B: Loan to value (LTV)            C: Interest rate &amp; BoE Base rate            D: Deposit            E: Redemption fee            F: Individual Savings Account (ISA)            G: Equity            H: Annualised percentage rate (APR)            I: Agreement in principal</p>	<p><a href="https://moneyfacts.co.uk/guides/mortgages/mortgage-terminology--glossary-and-jargon-buster131211/">https://moneyfacts.co.uk/guides/mortgages/mortgage-terminology--glossary-and-jargon-buster131211/</a></p> <p>(Link below is to a mortgage jargon quiz)</p> <p><a href="https://www.which.co.uk/money/mortgages-and-property/mortgages/mortgages-and-deposits-the-basics/a-z-mortgages-jargon-buster-aqhqt9n74cm0">https://www.which.co.uk/money/mortgages-and-property/mortgages/mortgages-and-deposits-the-basics/a-z-mortgages-jargon-buster-aqhqt9n74cm0</a></p>	<p>Ask the pupils to define all these terms</p>

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