



# Module 3: Retail banking 2 | Unit 1: Mortgages

A) Choose the correct alternative from the words printed in **green**:

For the majority of <sup>1</sup>homeowners/houseowners, the purchase of their property is financed by a mortgage. The bank or building society which lends money to buy a property is called a mortgage <sup>2</sup>lender/giver or mortgagee. The person who borrows money in the form of a mortgage is called a mortgage <sup>3</sup>borrower/taker or mortgagor.

There are several different types of mortgage <sup>4</sup>in/on the market. Probably the most common is a **repayment mortgage**, in which the <sup>5</sup>capital sum/capital price and interest are paid in <sup>6</sup>instalments/pieces over a long period of time (for example 25 years).

An alternative is an **interest-only mortgage**, in which the interest is paid, and the capital sum is <sup>7</sup>**repaid/paid** in another way, for example with an endowment assurance policy. This type of mortgage is known as an **endowment mortgage**.

With an **offset mortgage**, the mortgage borrower's <sup>8</sup>**daily/current account** is combined with her/his mortgage. Provided the current account is usually <sup>9</sup>**in/with credit**, this can reduce the interest repayments <sup>10</sup>**on/for the mortgage**.

PRONUNCIATION TIP endowment /in'dav.mənt/

You can check the correct pronunciation here.

### SLOVAK CORNER

building society – stavebná sporiteľňa (v Británii)
endowment (insurance) – zmiešané (životné a kapitálové) poistenie
endowment mortgage – hypotéka zaručená životnou poistkou
offset – vyrovnať, vynahradiť (opačným vplyvom),
napr. offset account – vyrovnávací účet

- B) Match the types of mortgage with the definition (you can find some of the information above):
  - repayment mortgage
     a. The mortgage interest rate is linked to the interest rate of the country's central bank.
  - 2. interest-only mortgage b. The mortgage interest rate stays the same.
  - 3. endowment mortgage c. You pay the capital sum and the interest.
  - 4. offset mortgage d. You pay the interest in instalments, and you pay the capital sum by another method.
  - 5. fixed rate mortgage e. The mortgage interest rate can only rise as far as a certain level.
  - 6. base-rate tracker mortgage f. An interest only mortgage, with the capital repaid by an endowment.
  - 7. variable rate mortgage g. Your current and mortgage accounts are combined to reduce the interest.
- 8. capped mortgage h. The mortgage lender can change the interest rate as they wish.





C)	Choose the best word:					
1.	Houses, bungalows, apartments, officeses, shops and any other type of building you can own are called					
	a. housing	b. prop	erty		c. buildings	
2.	The are a document which proves who owns the property.					
	a. owner's deeds b. owner's paper c. title deeds					
3.	In some countries you can get a mortgage for your annual salary.					
	a.times five	b.five t	imes		c.five of	
4.	If a mortgage borrower the in					
	a.doesn't pay	b.defaults on c			c.fails on	
5.	the mortgage lender w		the p			
	a.retake	b.take back		c.repos	ssess	
6.	Before a property can be repossessed, the lender must apply to a court for a					
	a.repossession order	b.repossession paper			c.repossession document	
7.	When the lender has a repossession order, the occupants of the property can be					
	a.evicted	b.put o	ut		c.ejected	
8.	Generally, mortgage lenders only repossess as					
	a.a desperate action b.a		b.a last reso	rt	c.the	final option
9.	A mortgage lender can also be called a mortgagee or a					
	a.mortgage provider		b.mortgage	mortgage maker		c.mortgage producer
10.	A mortgage borrower can also be known as a mortgagor or a					
	a.mortgage owner	b.mortgage possessor			c.mortgage holder	
11.	To change your mortgage agreement is to your property.					
	a.mortgage again		b.remortgag	e	c.unr	mortgage
12.	A mortgage paid over25 years is called a mortgage.					
	a.25	b.25-year		c.25 ye	ars	
13.	When somebody's mortgage is the most they can possibly afford, you say they are "mortgaged up to the ".					
	a.hilt	b.top	c.he	ead		
14.	If propery prices go down, and your house is mortgaged for more than its current value, you have					
	a.negative money	b.negtive va			gative equity	
15.	After you have paid your last mortgage instalment, you can say that you have your mortgage.					
	a.paid out b.paid up c.paid off					





### STUDY TIP

pay up, pay out and pay off are phrasal verbs (frázové slovesá). They are very difficult to translate as their meaning may change in different contexts. Sometimes there is a logic in their translation, e.g. pay up – zaplatiť, pay out – vyplatiť, but this is no rule and you need a bit of a language instinct to "feel" the meaning. ©

The best way to learn phrasal verbs is to study them in collocations (in word combinations they usually come in) and without translation.

e.g. Come on, pay up. pay off your debts

## SLOVAK CORNER

hilt – rukoväť, rúčka

(be mortgaged) up to the hilt – (byť zadĺžený) až po uši

*title deeds* – list vlastníctva, na Slovensku sa používa aj termín *letter of ownership* ako priamy preklad, ale v anglosaských krajinách ide o iný typ dokumentu.

Ďalším problematickým prekladom je kataster nehnuteľností - cadastre (or cadaster) of real estate alebo Land Registry

### KEY:

A: 1 homeowners, 2 lender, 3 borrower, 4 on, 5 capital sum, 6 instalments, 8 current, 9 in, 10 on B: 1c, 2d, 3f, 4g, 5b, 6a, 7h, 8e

C: 1b, 2c, 3b, 4b, 5c, 6a, 7a, 8b, 9a, 10c, 11b, 12b, 13a, 14c, 15c