

Module 3: Retail banking 2 | Unit 4: Revision

You have successfully finished Module 3. Well done! Now you can check how much you've remembered. 😊

1) Are the definitions below true (T) or false (F)?

- a) *repayment mortgage* – You pay the capital sum and the interest.
- b) *interest-only mortgage* – Your current and mortgage accounts are combined to reduce the interest.
- c) *base-rate tracker mortgage* – The mortgage lender can change the interest rate as they wish.
- d) *endowment mortgage* – An interest-only mortgage, with the capital repaid by an endowment.
- e) *fixed rate mortgage* – The mortgage interest rate stays the same.

2) Complete the sentences with the correct words:

- a) Houses, bungalows, apartments, officeses, shops and any other type of building you can own are called _____.
- b) The _____ are a document which proves who owns the property.
- c) If a mortgage borrower _____ the instalments...
- d) ...the mortgage lender will eventually _____ the property.
- e) A mortgage borrower can also be known as a mortgagor or a _____.
- f) To change your mortgage agreement is to _____ your property.
- g) If property prices go down, and your house is mortgaged for more than its current value, you have _____.
- h) After you have paid your last mortgage instalment, you can say that you have _____ your mortgage.

3) Translate the sentences below into Slovak:

- a) Hypotéku platím v mesačných splátkach spätne.
- b) Mám kontokorentný úver s úrokom 9%.
- c) Ak chcete požiadať o úver, musíte vyplniť žiadosť u svojho bankára.
- d) Mám hypotéku na 25 rokov.
- e) Chcel by som ju splatiť skôr, ale nechcem platiť pokutu.

STUDY TIP

Don't worry if you don't remember something. Go back to the relevant Unit and find the correct answer. It's not cheating. It's consolidation. 😊

KEY:

Exercise 1: a) T; b) F, offset mortgage; c) F, variable rate mortgage; d) T; e) T

Exercise 2: a) property; b) title deeds; c) defaults on; d) repossess; e) mortgage holder; f) remortgage; g) negative equity; h) paid off

Exercise 3: a) I pay my mortgage in monthly instalments in arrears.

b) I have an overdraft facility with interest of 9%.

c) If you want to apply for a loan, you have to fill out an application form with your loan officer.

d) I have a mortgage over 25 years.

e) I would like to repay it/pay it off early, but I don't want to pay the penalty.