

## Mortgages: long-term fixed rates?

### Level

Intermediate to Upper intermediate

### Tasks

Comparing buying a home with renting accommodation  
Making collocations containing the word 'mortgage'  
Reading an article about a proposal for long-term mortgages  
Identifying words in the text from their definitions  
Discussing points arising from the article

### How to use the lesson

1 Ask students if they are buying their home, or renting. You could also ask if anyone lives at home with their parents and if anyone is building their own home. Hand out the worksheet. Ask students to discuss the advantages and disadvantages of buying a house compared to renting accommodation.

You could draw a simple table on the board and fill it in as students report their pros and cons to the class.

2 Refer students to the words in the box. Ask them to make collocations containing the word 'mortgage'.

#### Answers

*large mortgage, mortgage broker, long-term mortgage, arrange a mortgage, low-interest mortgage, mortgage costs, mortgage rates, take out a mortgage, cash in a mortgage, mortgage lender, fixed-rate mortgage, mortgage payments, small mortgage, pay off a mortgage, mortgage adviser*

3 Ask students to read the article and underline which collocations in question 2 are used.

#### Answers

*long-term, fixed-rate mortgage (paragraphs 2 and 3); mortgage payments (paragraphs 2 and 3); mortgage rates (paragraph 2); mortgage costs (paragraph 2); mortgage adviser (paragraph 3)*

If appropriate, ask general comprehension questions at this point, for example: *What benefits would the new EMFA have for (a) banks and (b) homebuyers? What is a common feature of a typical mortgage in the UK? What disadvantage of long-term, fixed-rate mortgages is mentioned in the text?*

4 Ask students to identify the words in the text from the definitions listed.

#### Answers

*(a) guaranteed (paragraph 1) (b) fluctuate (paragraph 2) (c) volatile (paragraph 2)  
(d) threat (paragraph 2) (e) trade up (paragraph 3)*

5 Students discuss their answers to the questions in groups, then report their ideas to the class. Hold a class feedback session.

### Related websites

Send your students to these websites, or just take a look yourself.

[http://www.bbc.co.uk/homes/property/mortgage\\_calculator/](http://www.bbc.co.uk/homes/property/mortgage_calculator/)

[http://www.bbc.co.uk/homes/property/uk\\_price\\_guide/](http://www.bbc.co.uk/homes/property/uk_price_guide/)

<http://www.mortgage101.com/>

<http://biz.yahoo.com/b/r/m.html>