**Student Guide: Does A Mortgage Manipulate Both Your Mind**

 **and Your Wallet?**

A Lesson in:

* Consumer Decisions
* Consumer Information
* Effects of Consumption on Others

**Your Thoughts Before Reading:**

1. **Hidden Responsibility.** What many new homeowners don’t know is that a mortgage is a whole lot more than a house payment. While owning a home can bring many assets, it comes with liabilities as well. *Think about what else may be involved other than an obligation to the bank?*

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| **Assets:** | **Liabilities:** |
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1. **In the know.** A house payment is only for those who understand and know the responsibilities, financial and otherwise, that come with it. Many believe that the American Dream is to own a home. *How would you define YOUR OWN American Dream?*

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1. **The Dream.** Home ownership is the American Dream for over 50% of the American population, but many millennials have made the shift to renting. Home ownership is much more complicated than making that monthly mortgage payment. *What do you know about owning a home? What do you know about renting? Think of some advantages to owning your home. Make a list of positives and negatives that come with homeownership.*

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|  | Owning Your Home | Renting Your Home |
| *Advantages* |  |  |
| *Disadvantages* |  |  |

1. **Preference!** Different people find different reasons to support getting in debt to achieve the American mortgage. *Add a star above by the two most advantageous to suit your personality. Mark a star next to the two most disadvantageous that make you wary of signing your name on a mortgage contract.*
2. **Consumers need to be educated about any product that they want to purchase and what responsibilities are involved.** *Identify the following information:*

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| *Where can you look to find information about mortgages?* |  |
| *What about the responsibilities of homeownership?* |  |
| *Does the government want you to be a homeowner or a renter?* |  |
| *Are there differences with insurance if you are a renter compared to an owner?* |  |

**During the Reading with Newspaper in Education:**

1. **Read through the attached article “3 Things Change.”** *According to the article, identify what a potential homeowner needs to be aware of when opting to buy rather than rent.*

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| Buyer Beware:  |

1. **Mind Warp!** What trends do you notice the article suggests “take over” the mind of a homeowner?

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| Trends that manipulate the homeowner: |

**After the Reading:**

1. **Exchange Ideas.** Compare your list with the article. What can you add? Discuss with a partner on how your lists compare, adding ideas you’ve missed.
2. **Together.** As partners, create a “Thoughts for a Potential Home Owner” pamphlet. Follow the guidelines below:
	1. Come up with three different types of people, identifying them based on: income, personality, habits and goals.
	2. Draw or make an avatar replica of each imaginary person.
	3. Write a short bio for each of the three personalities.
	4. Identify your three individuals as “renter,” “home owner” and “on the fence.”
	5. Write a paragraph that will help your “on the fence” decision maker come to a conclusion.
		* Hint: Be sure to list multiple advantages and disadvantages to both owning a home and renting.
	6. Compile a list of eight things to consider about homeownership, whereby you *demonstrate that you understand* how owning a home affects other areas of your life.

10. **Share.** Present your pamphlet, personalities, biographies, and thoughts to consider.

11. **Vote!** Let the rest of your class decide what your “on the fence” personality will do based upon the content you share and what you have learned as a class.

**Extension:** Find a property online to rent, and one to buy. *Create a plan for your Owner Avatar and your Renter Avatar. Describe the rental and buying process and what decisions are applicable for each home.*