

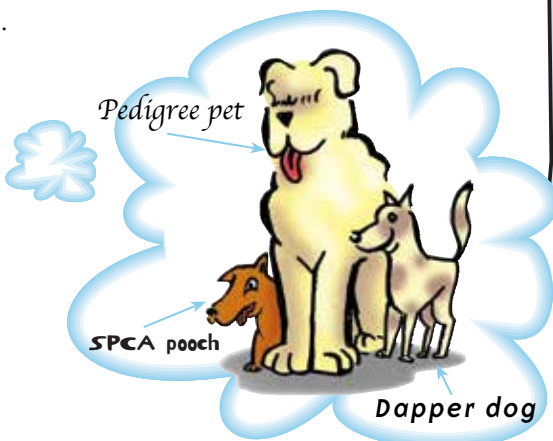
# Getting a Loan

## Activity

Robert's parents have found a house with a big paddock at the back. If they buy it, Robert is allowed to get a dog.

They visit the bank manager to arrange a mortgage. They need to borrow \$180,000. The manager gives them this table.

20-year Mortgages	
Amount borrowed	Fortnightly payments
\$100,000	\$360
\$120,000	\$440
\$140,000	\$500
\$160,000	\$580
\$180,000	\$660
\$200,000	\$730



- If they get their mortgage, how much will Robert's parents have to pay each fortnight?
- The bank manager tells them they are not allowed to spend more than a third of their income on their mortgage repayment. Robert is keen to help his dad work out if they can afford the property.  
Dad earns \$39,000 a year. Mum has a part-time job that pays \$150 a week.
  - How much does Robert's dad earn each fortnight?
  - How much does Robert's mum earn each fortnight?
  - Will the bank manager give them a loan?
- If Robert's parents take 30 years to pay off their loan instead of 20, the repayments shown in the table will drop by 20 percent. Will the bank give them a loan now? Explain your answer.

## Investigation

Robert's grandfather gives him \$25 for his birthday to put towards the cost of a dog. Robert gets a job delivering circulars, and he earns \$15 per week.

Investigate the cost of buying and keeping different types and sizes of dogs. Find out what kind of dog Robert could afford to get and how long he would need to save for it. You could look on the Internet or visit your local vet to find out the cost of keeping a dog healthy.