

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. What does APR stand for?

- a. Average Price Return
- b. Annual Percentage Rate
- c. Amortization, Principal and Repayment

2. In a fixed-rate mortgage...

- a. The interest rate is set when you take out the loan and it does not change over time
- b. The interest rate is based on a chosen index, so it changes throughout the term of your loan
- c. The interest rate can be renegotiated whenever you feel like it
- d. All of the above

3. With an adjustable-rate mortgage...

- a. The interest rate changes over time and is based on a chosen index
- b. It usually has a lower advertised rate
- c. It can be unpredictable and harder to budget for
- d. All of the above