

JARGON SIMPLIFIED

Home Buying

Mortgage and Interest Payments

The amount you are paying back to your mortgage lender after you borrow money to buy a house. Normally this is the biggest part of your monthly cost.



Property Taxes

Tax to help pay for local amenities (e.g. roads, schools, snow removal). May be paid separately or bundled into your mortgage payment.



Homeowners Insurance

Insurance to protect your stuff (think fire or robbery), your house (think hail storm or lightning strike), and you (in case someone trips in your hallway, hurts themselves, and sues you!).



PMI

Private Mortgage Insurance. It protects your mortgage lender if you can't keep up with your mortgage payments (unfortunately, you're the one who pays for the insurance). It's often required if your down payment is less than 20% of the value of the house.



HOA Dues

Homeowners Association (HOA).

If your property has "common insurance" (as is the case with condos and co-ops) or community amenities (like a neighborhood pool), a HOA may manage those items and charge owners a fee each month to pay a portion of the communal costs.

