



HOME SCHOOL • EPISODE 2 CHECKLIST

The True Monthly Cost

From Home School Episode 2, with Josh Orrantia

THE FIVE LINES

Principal and interest	The loan payment. Principal pays down the amount borrowed. Interest is the cost of borrowing.
Property tax	A county tax on the property. In California, the starting bill follows the price paid.
Homeowners insurance	Cover for the home. The quote fits the home, its area, and its fire risk.
PMI	Private mortgage insurance. It protects the lender and can ride on loans with less than 20% down.
Upkeep reserve	Money set aside for repairs and care. Roofs wear, heaters age, and paint fades.

WORKED EXAMPLE - \$450,000 HOME

Principal and interest	\$2,275
Property tax	\$431
Homeowners insurance	\$180
PMI at 20% down	\$0
Upkeep reserve	\$375
TRUE MONTHLY COST	\$3,261

Example only: \$360,000 loan at 6.5% for 30 years, 20% down, property tax at an example 1.15%, and upkeep at 1% of the price per year. Rates and quotes change.

General education, not a loan offer or financial advice.

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YOUR FIVE-LINE WORKSHEET

Home: _____

Price: _____ Down payment: _____ Loan: _____

COST LINE	YOUR MONTHLY FIGURE	SOURCE OR NOTE
Principal and interest	\$ _____	_____
Property tax	\$ _____	_____
Homeowners insurance	\$ _____	_____
PMI	\$ _____	_____
Upkeep reserve	\$ _____	_____
TRUE MONTHLY COST	\$ _____	_____

Use a real quote where a quote exists. Use a written estimate where the bill has not landed. Do not leave a line at zero by habit.

BEFORE THE NEXT TOUR

☐	1. Write the five cost lines for every home you tour.
☐	2. Get a real insurance quote early on any home you take seriously.
☐	3. Ask the lender when and how PMI ends on your loan.
☐	4. Set the upkeep reserve as a monthly transfer, starting with the first payment.
☐	5. Keep a one-month cost cushion before you raise your price range.

THE TEST

Hold the total next to the household budget. Does this house still fit on a plain month, with food, fuel, and a little room to breathe? If the stack does not fit, the payment alone does not save it.