



CONGRATULATIONS ON YOUR NEW HOME AND HEALTHY MORTGAGE

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Wouldn't it feel great to own your home sooner rather than later? And don't you want it with less interest, more discretionary funds for investing and to own a viable asset outright? If you are looking to pay off your house in less time, there are a few methods you need to investigate. Before you do anything, you need to thoroughly read the terms of your agreement. Some mortgages include a pre-payment penalty. If you are ready to shorten those mortgage years, look at these suggestions on all phases of the home buying process:

- Pay half of your monthly note every other week. That adds up to 13 payments a year, with the extra payment directed to the principal. Talk to your lender to set up a payment plan.
- Add a little more to the regular note. If you paid \$200 extra per month on your 30-year fixed loan at 3.625 percent on a home purchase of \$300,000 with 10 percent down, you'd save \$42,969 in interest and pay off your loan six years and eight months' years early.
- Refinance, then reinvest savings. It's a good idea to evaluate refinancing when rates drop, but unless you refinance from a 30-year loan to a 15-year loan, refinancing doesn't automatically shave years off your mortgage. However, if you apply the savings from a new loan, you'll be able to pay it off several years ahead of time.

- Make one-time loan payments toward the principal when you get extra cash from a work bonus or inheritance. You will save a significant amount in interest fees.
- On a bimonthly payment plan you pay on the fifteenth of every month as well as the last day of every month. This means 24 payments a year instead of 12. While the early payment reduces your interest, it doesn't necessarily shorten the mortgage in a significant way.
- Biweekly payments will save you tens of thousands. However, you need to make sure your lender doesn't put you on a payment plan through a third party. Check to see if you can set up a biweekly payment plan with your bank.

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