# Kelowna Mortgage Company

General Info On How To Pay Off Your Mortgage Sooner

Some key things that could be done against your mortgage, would help to shorten the length of mortgage and lessen the cost of borrowing. The main benefit is that you will end up paying less for the cost of borrowing the money. It is possible to free up money for different areas of your life, like for instance education for yourself or your children, an emergency fund and money for retirement.

Among the easiest ways to pay down your mortgage sooner is to make more payments and to increase the frequency of your payments. It is better to speak to your mortgage professional to have them explain to you the advantages of how much you will ultimately save by making payments on a biweekly or weekly basis as opposed to monthly. The more frequent plan of payment can end up saving you hundreds of dollars in yearly interest costs.

Putting down the largest downpayment you could afford is one more good idea. This would help to reduce the time it would take to pay down the mortgage and lessen incurred interest costs of borrowing. When it comes time to renew your mortgage and if interest rates lessen, you might want to consider keeping your payments the same and applying more money to the principal.

Most mortgages would allow the borrower to pay one time every year for up to 20 percent of the mortgage. Prepayments and anniversary payments if made will go directly towards the principal. This would really save you lots of money in yearly interest costs. Some individuals choose to utilize their annual work bonus or tax refund for this type of payment.

Other good alternatives include making double payments whenever possible and lump sum payments whenever your financial situation allow.

When selecting a time frame to pay back a loan, a shorter duration timeframe will save you money in the long run. When you next visit a mortgage professional, ask them to explain to you the breakdown of payments and interest costs on a 20 year amortization period as opposed to the longer 25 year amortization period. If possible, consider selecting a 15 year term. Though your mortgage payments will be higher, you will end up paying considerably less in interest over the course of the loan.