



A Gift that Keeps on Giving

Extra mortgage payments can save you money and take years off your loan.

This holiday give yourself the gift an extra mortgage payment. If you pay a little extra on your mortgage each month or each year, you will owe significantly less over the life of your loan.

You understand buying a home is a long-term financial commitment, but have you looked at how much interest adds to your overall cost?

Your mortgage is amortized, meaning you pay regular installments on principal and interest over a specified period of time. Each time you pay your mortgage, interest costs decrease and the principle increases.

If you pay nothing extra on your mortgage, the total amount you owe over the life of the loan will not change. However, pay a little extra and you can take years off your loan and save thousands of dollars in interest.

Let's look at this closer. Say you get a 30-year loan for \$250,000 and it accrues 4% interest per year. Over the life of the loan, you will pay \$179,674 in interest. That's a big number, but one you can reduce by budgeting some extra cash for your mortgage.

The monthly mortgage payment for the above example is \$1,193.54.

If you make one extra mortgage payment per year, you can save OVER \$28,800 in interest over the life of the loan!

Make it a Christmas present. Pay a little at a time or make one lump payment at the end of each year. Give yourself a gift that keeps on giving.

If you have questions about buying or refinancing a home or want to know your individual financing options, I'm here to help. Call me and let's chat.

Happy Holidays!



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