

## Save on your Mortgage Alberta

### How To Save A Lot Of Dollars By Paying Off Your Mortgage Quicker

Owning your very own house outright is amongst the most major accomplishments which a person can make in their life. The faster your mortgage is paid off, the more money you will save on interest costs. You can take years off your loan by taking several easy steps that would help ensure you are paying off your mortgage as effectively as possible. The best part is, this process is completely free.

1. You would firstly get your credit score before you start to shop around for the best mortgage. The ongoing service fees which the mortgage company charges are usually reasonable, but it is wise to know precisely what fees will be charged before you finalize a loan. It might be in your best interests to talk to a mortgage broker at this time.

2. Selecting either monthly, weekly or bi-weekly payments is the next step. A bi-weekly mortgage means that payments would be required 26 half-monthly payments instead of 12 monthly payments. Then again, you will save a significant amount on interest. It is important to note that if your mortgage is originally set up as bi-weekly, your lender could charge you an upfront fee of \$300-\$400.

Like for example: if you make a payment of \$415 twice a month as opposed to a monthly payment of \$830, you will save approximately \$27,000 in interest and could own your very own house approximately 4-1/2 years sooner.

3. The third step is to pay a little bit extra each and every month. Even a slight increase of a few dollars will decrease the amount still owing on your principal amount. If you can pay an additional 10-15% percent each and every month then you will be in a good position to pay off your mortgage sooner.

For example: You can save almost \$48,000 in interest and pay off your loan 8 years early by just upping your payment from \$830 to \$1000 each month.

4. Making a lump sum payment at least once a year utilizing your tax refund, work bonus or from saved money, this can significantly help decrease the amount remaining on your principal. It is a good idea to check your mortgage documents in order to see how frequently you are permitted to prepay and in what amount to make sure that you would not be subjected to any added fees. Though the majority of mortgage loans do not prohibit you from paying off your loan in advance, some loans do have parameters regarding any additional payments that you could make.

5. At renewal time, it is wise to pay off as much of your remaining mortgage as you can. At renewal, you can pay off as much as you want as the majority of mortgages become open.

6. Make sure that you check your mortgage payment to ensure that your additional payments are being put straight against the principal. It is vital that the bank correctly records each and every payment which you make. Any extra payments which you make should be done utilizing a separate cheque. On the memo line, make certain you note that they payment must be applied just to the principal. At the end of the year, when doing your taxes, compute the payments and make sure that the total amount that you paid has been applied accurately.

7. The final step is to make certain that you stay informed and up-to-date regarding your mortgage. New products are coming out each year and the interest rate is always fluctuating. There is the chance that you may want to shop around for a better product eventually.

Like for instance: In the beginning you may have only been able to qualify for a lower-rate adjustable mortgage. At some point later on, you might decide to select a more affordable, fixed-rate long-term mortgage.

It is not always in your best interest to pay off your mortgage more quickly. For example, some people may choose to invest in mutual funds when the yields return 10 to 12 percent each and every year. As a general rule though, the majority of people choose to pay off their mortgage instead.

If you have plans to move in the near future, it can be wiser to avoid investing your money. Saving your money for a down payment on your new home may be more beneficial then investing money into your current home.

By following these simple steps and doing a little research it is entirely possible to save thousands of dollars on your mortgage. However, the banks won't tell you how to save money since that would make them lose money and their profits will come to a halt.