



## **How to Easily Save a Substantial Amount of Money on Your Home - DLC**

Nearly everyone understands that the longer you owe anyone money then the more it costs you to ultimately pay it back. That is the simple concept of how lending money and interest works. For example, if you pay off your credit card in two months, rather than ten months, you will pay less interest and the cost for you having borrowed that money from the credit card lender will be less. While this works for consumer debt, such as credit cards, it also works for your home mortgage.

In the case of your mortgage, you can save a substantial amount of money by paying it down as quickly as possible. One of the most pain free ways to do this is to accelerate your payments from the first mortgage payment you ever make. There is a very simple and easy way to do this which can shave off years, and tens of thousands of dollars, off of the interest you pay over the life of your mortgage loan.

Typically people pay their mortgage payment once each month. These twelve mortgage payments are applied to interest and principle owed. By accelerating your payments by simply paying your mortgage every two weeks instead of once each month, you will make the equivalent of thirteen mortgage payments each year. The "extra" mortgage payment is applied directly to principle, and this works to much more quickly drop down the total you owe on your mortgage. Over the years, this drop in principle will save you a ton of money and take years off of your repayment schedule. And, because most Canadians are paid every other week, this can make your household budget a lot easier as well. You simply pay your mortgage out of each paycheck.

When you agree to mortgage terms you should always take the time to look for the clauses which discuss prepayment penalties and accelerated payment options. By choosing a mortgage which allows for you to pay it down more quickly you can save a lot of money. However, if you select a mortgage term which does not allow prepayment of your mortgage principle then you cannot save money in this manner. And, that is just simply not to your advantage.

By utilizing accelerated payments you can pay down your mortgage principle balance faster and be on your way to having your mortgage paid off much quicker. Make sure you work with a good mortgage broker though and choose mortgage terms which will allow you to prepay if you so choose.