



Tips for Paying Off Your Mortgage Faster

Mortgages in Canada are generally amortized between 25 and 35 year terms. While this seems a long time, it does not have to take anyone that long to pay off their mortgage if they choose to do so in a shorter period of time.

With a little bit of thinking ahead, and a small bit of sacrifice, most people can manage to pay off their mortgage in a much shorter period of time by taking positive steps such as:

- Making mortgage payments each week, or even every other week. Both options lower your interest paid over the term of your mortgage and can result in the equivalent of an extra month's mortgage payment each year. Paying your mortgage in this way can take your mortgage from 25 years down to 21.
- When your income increases, increase the amount of your mortgage payments. Let's say you get a 5% raise each year at work. If you put that extra 5% of your income into your mortgage, your mortgage balance will drop much faster without feeling like you are changing your spending habits.
- Mortgage lenders will also allow you to make extra payments on your mortgage balance each year. Just about everyone finds themselves with money they were not expecting at some point or another. Maybe you inherited some money from a distant relative or you received a nice holiday bonus at work. Apply this money to your mortgage lender as a lump-sum payment towards your mortgage and watch the results.

By applying these strategies consistently over time, you will save money, pay less interest and pay off your mortgage years earlier!