

The fact that you are a homeowner with a mortgage says a lot of good things about you ...

For one thing, it says you are hard-working and responsible - that you care about values, stability and security. A home is the largest single debt the vast majority of us will ever assume. However, most Americans would agree that getting rid of your mortgage early is a great thing. Once your mortgage is paid off, you can sleep easier at night. What an achievement ... what a relief!

## Benefits of Paying Off Your Mortgage Early

Conventional home mortgages are "front-end loaded" for interest, which means most of your payments in the early years will almost totally go to pay interest. Very little goes to the principal balance you owe.

- . You will pay nearly three times the amount you originally borrowed before the average conventional 30 year mortgage is paid off.

- . Only 10% of your mortgage balance is paid off in the first seven years with a 7% 30-year mortgage.
- . It takes 20 years to reduce your balance by 50% with a conventional 30-year mortgage at 7%.

Paying off your mortgage early may save you tens-of-thousands of dollars in interest charges. This extra money can pay for many important life events, including educational expenses ... or maybe for an easier and possibly earlier retirement.

## How To Get Rid of Your Mortgage FOR YOU

### 13th Month

Ever get a tax refund from Uncle Sam? Ever get a Holiday bonus at work? The first thought for many of us would be to spend it, have a good time - but wait ...

How about making an extra payment on your mortgage? One extra payment per year can shorten your mortgage by 7 to 12 years, depending on the interest rate. Wouldn't you rather have the benefit later when you'll probably need it more?

## Bi-Weekly

Pay half of your regular mortgage every two weeks ("Bi-Weekly") instead of monthly. The end result is an additional month's payment each year, but the extra amount is spread out over 26 weeks rather than all at once ... which is a lot easier for most people to pay, and also requires less discipline than saving the extra money on a regular basis. Here is an illustration of how it works:

\$100,000 30-Year Mortgage At 7.5% |

\$699 regular monthly payment =  
\$151,717 total interest paid

\$349 every two weeks =  
\$111,618 total interest paid

**\$40,009 saved ...**

and loan paid off 6 years 7 months earlier!

## Extra Dollars

One way to pay off your mortgage early is to include an additional amount ("Extra Dollars") with each monthly payment. The following example illustrates how this can work for you:

### \$100,000 30-Year Mortgage At 6%

\$600 regular monthly payment =  
\$215,838 total paid over 30 years

\$100 additional each month =  
\$175,938 total paid over 30 years

**Savings = \$39,900**

2HSH Associates, Financial Publishers 4/03

**How to Get Rid of  
Your Mortgage  
FOR THEM**

Later can be tougher, especially in the event of death or disability. That's when it's most important to have your mortgage paid off ... when you're not able to make those regular mortgage

payments on which your family depends.

Many homes have been sold because one of the breadwinners could not help make the mortgage payment. Take care of that problem now!

Mortgage Protection Insurance is designed to make sure your home mortgage is paid in the event you are not able to do so. That way, your family's regular lifestyle is not disrupted if you are unable to meet your normal responsibilities.

Protect your home and family now so you don't worry later. Mortgage Protection Insurance is one of the best things you can do for your family ... so do it today!

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This information is not intended to constitute any legal or tax advice. Please consult a financial professional.

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