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## **Mortgage Calculator Reveals Big Savings With Small Payments**

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Having agreed on a monthly payment schedule with your mortgage lender doesn't necessarily set that amount in stone - that's just the minimum you can pay! By playing with a mortgage calculator, particularly a pre-payment loan calculator, you can see where extra payments can make long-term savings on your mortgage.

The mortgage calculator will quickly show that you don't have to pay large sums of additional cash in order to make a difference. Even regular smaller sums can greatly reduce the length of time you are paying your mortgage. They will even reduce the amount of interest you would be paying. Imagine that the mortgage you thought would be with you until you were 50 can be painlessly paid off by the time you are in your mid 40s! That's strong motivation to try out the appropriate mortgage calculators to see what kind of financial additional payments you need to make this achievement.

The first thing you need is to use a home budget calculator to check your current financial situation. How much disposable income do you have each month? Where does this go currently? Could you comfortably commit an additional \$50 a month, for example, to your mortgage? Put that figure into the mortgage calculator and see what difference it would make to your long-term mortgage picture.

It can get addictive to try and shave off more of your disposable income and put the increased amount into the mortgage calculator, but beware of over-stretching your finances. While it's exciting to see how much faster you could pay off your mortgage, and so fast to see the results that the pre-payment mortgage calculator gives you, it's also easy to get carried away and forget that you need to keep finances in hand for other things!

One of the best things you can do is to find a minimum additional monthly payment that you can make without creating too much of a problem - perhaps by canceling subscriptions you don't use, or by cutting out one trip to a well-known coffeehouse each week. Use the mortgage calculator to work out the difference this makes to your mortgage principal. This is the least impact you will make on your mortgage.

Next try and save an additional sum in a separate banking account and try not to touch this. If you haven't had any emergencies requiring the money during the year,

withdraw it after 12 months and make a single extra additional larger sum payment against the capital (still making that basic monthly payment in the same month!) and then use your mortgage calculator to see how much difference this has made. This way you can keep that money handy and still reduce your mortgage. But it will not reduce your interest as much as paying out monthly. Be sure to check out all these variables on the mortgage calculator.

A mortgage for your home is a long-term commitment, but using a mortgage calculator you can see how it's possible to reduce the time period with additional small monthly payments. Paying off your mortgage quicker, and paying less interest, without financially hurting yourself - isn't that worth exploring further?

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