How to Pay Off
Your Mortgage Faster

42% of Americans say that their mortgage is the debt they most want to eliminate.

A mortgage is often the largest debt that one undertakes and as a result, many homeowners look to pay it off as soon as they can. In addition to reducing overall debt, paying off your mortgage early enables you to purchase a second home or investment property. Try one of these strategies to reduce your mortgage principal.

- **Make bi-weekly mortgage payments**
  Bi-weekly payments involve 26 half-payments each year instead of the standard 12 full payments. By making 13 full payments each year, you'll pay down the principal sooner and reduce the amount of interest you'll pay over the long run.

- **Increase your mortgage payment**
  You can also increase the amount you pay towards the principal of the payment each month. Most people have higher incomes a few years into their mortgage than they did when they first took it out. Keeping your payment on par with your increases in income will help reduce your mortgage amount significantly and may also reduce the amount of your monthly payment over time.

- **Make additional payments**
  If bi-weekly payments or increasing your monthly mortgage payment are not feasible, try to make extra payments when you can. If you have extra money at the end of the year, put it toward your principal.

- **Refinance with a shorter-term mortgage**
  If you have a 30-year mortgage, you can refinance the loan for 10, 15 or 20 years. While the payments will be higher each month, you'll be able to pay the loan off much sooner.

1 in 3 homeowners own their homes free and clear.

If you're considering paying off your mortgage early, consider the following:

- Do you have the cash available to pay down the debt? If you've accumulated 6 months in emergency reserves and have paid off other loans and credit cards, your mortgage should be the next debt you target.

- Will you have enough cash to save for retirement and other financial goals?

- How long do you plan to stay in the home? It may make more sense to keep your money liquid and not tied up in a home you might sell in a few years.