



Time equals Money

Save yourself Time and Money by making additional payments to your loan principal

A \$280,000 mortgage loan at 8.50% for 25 years gives you a monthly payment of \$2,254.64.

Loan amount	\$280,000.00	Scheduled payment	\$ 2,254.64
Annual interest rate	8.50%	Scheduled number of payments	300
Loan period in years	25	Actual number of payments	300
Number of payments per	12	Total early payments	\$ -
Start date of loan	8/30/2008	Total interest	\$ 396,390.75
Optional extra payments			

If you paid \$200 extra each month you will pay off your mortgage in 19 years and 6 months, saving you 102,501.19 in mortgage interest

Loan amount	\$280,000.00	Scheduled payment	\$ 2,254.64
Annual interest rate	8.50%	Scheduled number of payments	300
Loan period in years	25	Actual number of payments	234
Number of payments per year	12	Total early payments	\$ 28,200.00
Start date of loan	8/30/2008	Total interest	\$ 293,889.56
Optional extra payments	\$ 200.00		

Even if you do not have the wherewith all to make regular additional monthly payments to the principal you will still save a considerable amount in interest payments if you made one or more additional payments. For example if you made two extra loan payments of \$2,254.64 - one on the 12th and the second on the 24th month of your loan schedule—and made no further additional payments you will pay off your mortgage in 23 years and 11 months, saving you \$27,030.38 in mortgage interest.

Loan amount	\$280,000.00	Scheduled payment	\$ 4,509.28
Annual interest rate	8.50%	Scheduled number of payments	300
Loan period in years	25	Actual number of payments	287
Number of payments per year	12	Total early payments	\$4,509.28
Start date of loan	8/30/2008	Total interest	\$ 362,360.73
Optional extra payments	\$ 2,254.64		

NOTE: The earlier you make those additional payments the more you save in interest. Borrowers who plan to make monthly or periodic additional payments to the principal of their loans should AVOID loan covenants that penalise the borrower for making unscheduled payments (prepayments).