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PREPAYING A LITTLE MORE MONEY NOW CAN SAVE A LOT LATER!

Most home buyers borrow money to pay the seller the difference between their down payment and the purchase price. The lender creates terms of a promissory note, known as a mortgage, for the amount borrowed and establishes an interest rate on the amount of the loan to be paid.

Many people don't realize that the interest payments can add about two and a half times the original loan amount over the term of the mortgage. In most cases, you can save money by prepay-

ing an amount that is greater than what you have to pay each month.

If you were to sit down and review an amortization payment chart that compares monthly payments required to retire the principal and pay the interest, you would see a big difference in the interest figure if you were to commit even an additional \$25 per month.

If you can set your payments up bi-weekly or even weekly at the commencement of the loan you will accomplish much as the cumulative effect

makes the biggest impact. Take a look at an on-line mortgage calculator and note the difference a small payment can make!

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