

# Top 8 Tips to Pay Off Your Home Loan Sooner

*The calculator says your loan will take 30 years to pay off, but there is a lot you can do to get that debt out of your life quicker. Even if you can focus on 1 or 2 of these at a time it will make a difference. Take on the challenge!*

## 1. Make repayments at a higher rate

Even if your rate reduces, try to keep your repayments in line with the higher rate, you were coping before so why not keep it up!

## 2. Repay more frequently

If you can manage your life commitments to pay fortnightly instead of monthly, you will in fact be paying more off because there are 12 monthly repayments but 26 fortnightly repayments!

## 3. Repay extra when you can

As tempting as it may be, when you receive a lump sum such as a tax return or work bonus, consider sticking onto your home loan, you are much better off in the long run!

## 4. Check your loan product

Make sure you have the right loan product (Link:04) to suit your plans. Some loans don't have the flexibility to make extra payments, and in some instances you may be better with a variable over a fixed rate (Link:08).

## 5. Stay focused

While it isn't recommended to try and do without the necessities of life, if paying your mortgage out sooner is a key goal for you, then you may need to question some of life's luxuries such as holidays and treats.

## 6. Use your offset

Check to see if your loan and account structure allows for the inclusion of an offset account which can help you to save substantially on interest by letting you reduce your principal with your savings. This doesn't mean that you do not make repayments, rather that the amount of interest payable is reduced therefore paying your loan off faster. For example: If you had a loan of \$300,000 and \$50,000 in your offset/savings account, for each day that your \$10,000 remains in your savings account you would only be charged interest of \$250,000.

## 7. Get a check up

Just because your home loan is a long term commitment doesn't mean it should be a 'set and forget' arrangement. Keep track of whether your loan product is always competitive, get your Home Loan Specialist to perform a Health Check annually.

## 8. Consolidate debt

Lots of loans can add up to lots of interest. It may be worthwhile checking in with a financial adviser to see if you can consolidate some or all of these into one commitment to reduce interest liabilities and make your debt easier to manage.