

Your Monthly Home & Mortgage Newsletter


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Hello April!

This month, I am touching on choosing your ideal payment frequency & spring-cleaning tips!

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MORTGAGE ARCHITECTS

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Choosing Your Ideal Payment Frequency



Your payment schedule is the frequency that you make mortgage payments and ranges from monthly to bi-monthly, bi-weekly, accelerated bi-weekly or even weekly payments. Below is a quick overview of what each of these payment frequencies mean:

Monthly Payments: A monthly payment is simply a single large payment, paid once per month; this is the default that sets your amortization. A 25-year mortgage, paid monthly, will take 25 years to pay off but includes the added burden of one larger payment coming from one employment pay period. With this payment frequency, you make 12 payments per year.

Example: \$750k mortgage, 3-year fixed rate, 5.34%, 30-year amortization you would have a monthly payment of \$4,156.19. No term savings; no amortization savings.

Bi-Weekly Payments: A bi-weekly mortgage payment is a total of 26 payments per year, calculated by multiplying your monthly mortgage payment by 12 months and divided by the 26 pay periods.

Example: \$750k mortgage, 3-year fixed rate, 5.34%, 30-year amortization you would have a bi-weekly payment of \$1,915.98 with term savings of \$177 and total amortization savings of \$1,769.

Accelerated Bi-Weekly Payments: An accelerated bi-weekly mortgage payment is also 26 payments per year, but the payment amount is higher than a regular bi-weekly payment frequency. Opting for an accelerated bi-weekly payment will not only pay your mortgage off quicker, but it's guaranteed to save you a significant amount of money over the term of your mortgage. This frequency also allows the mortgage payment to be split up into smaller payments vs a single, larger payment per month. This is especially ideal for households who get paid every two weeks as the reduction in cash flow is more on track with incoming income.

Example: \$750k mortgage, 3-year fixed rate, 5.34%, 30-year amortization you would have accelerated bi-weekly payments of \$2,078.10 with term savings of \$1,217 and total amortization savings of \$145,184. Plus, you would save 4 years, 12 months of payments by reducing scheduled amortization.

Weekly Payments: Similar to monthly payments, your weekly mortgage payment frequency is calculated by multiplying your monthly mortgage payment by 12 months and dividing by 52 weeks in a year. In this case, you would make 52 payments a year on your mortgage.

Example: \$750k mortgage, 3-year fixed rate, 5.34%, 30-year amortization you would have weekly payments of \$957.50 with term savings of \$253 and total amortization savings of \$2,526. You can move to accelerated weekly payments to save even more!

Prepayment Privileges: In addition to fine-tuning your payment schedule, most mortgage products include prepayment privileges that enable you to pay up to 20% of the principal (the true value of your mortgage minus the interest payments) per calendar year. This can help reduce your amortization period (the length of your mortgage).

Example: By exercising your prepayment privileges, you can take time off your mortgage. For instance:

- Extra \$50 bi-weekly is \$32,883 total savings and an additional 1 year, 2 months time saved
- Extra \$100 bi-weekly is \$62,100 in total savings and an additional 2 years, 3 months time saved on your mortgage
- Extra \$200 bi-weekly is \$111,850 in total savings and an additional 4 years, 1 month of time saved on your mortgage.

Understanding the different payment frequencies can be key in managing your monthly cash flow. If you're struggling to meet a large payment, breaking it up can be effective; while the same can be true of the opposite. Individuals struggling to make a weekly or bi-weekly payment, may benefit from one monthly sum where they have time to collect the funds.

Consider getting in touch with me today to determine what payment frequency is best for you OR you can download my app and calculate them for yourself!

MY MORTGAGE PLANNER

Download my app for free today!



Spring Cleaning Tips



As the sun starts coming back around, it is a great time to scrub those windows and deep clean your home! Here are some tips for a successful Spring clean:

- **Create a Playlist:** Everything is more fun with a great playlist! Not only is music great therapy but it can make the cleaning process go by quicker and make it more enjoyable.
- **Clean One Room at a Time:** While we all like seeing our homes sparkly and fresh, it can sometimes be an overwhelming process to get to that point. To help minimize the stresses, work one room at a time! Start with the smaller rooms, or those that need the least amount of cleaning, and work your way up to the larger, project rooms. Another option is to tackle one or two rooms each weekend for the month and by the time May comes, you'll be ready!
- **Declutter as You Go:** Spring cleaning isn't just about shining up the brass on the door and dusting. It is just as important to declutter your space! Before you start cleaning the room, it is a good idea to pinpoint items that can be discarded, such as old magazines and papers, as well as to go through closets and cupboards for anything that you can donate (like that sweater you bought and never wore). This will clear up space for new clothing and items and will make you feel that much more accomplished!
- **Think Green:** Spring cleaning allows us to start the season off on a fresh, clean note. Don't muddy that up with harsh chemical cleaners. In today's eco-friendly environment, there are many safe alternatives to regular cleaners. Vinegar is a great substitute in the bathroom or kitchen as well as combining vinegar, baking soda and water as a deep clean alternative. You can also opt for a steam cleaner to manage tile, hardwood floors, appliances and even outdoor areas as they only use hot water and vapor.
- **Work From Top to Bottom:** Starting from the ceiling and working your way down just makes sense! This will force debris downward and save you having to re-clean your space. Dusting first will prevent a headache later too!
- **Don't Forget The Fridge & Freezer:** The best time to clean out your fridge and freezer is right before you do your grocery shop, so they will be at their most empty. Take everything out and dispose of anything that is past its expiration date and any almost-empty items you won't use. Before you restock be sure to wipe down the interior of the fridge with disinfectant and a damp cloth. The same can be done for the freezer but you'll have to defrost it first!
- **Clean Air Reduces Allergies:** Replacing furnace and HVAC filters is one of the most overlooked parts of Spring cleaning. Going as far as replacing your standard filter with a more robust one with a higher rating will help keep you even healthier this year as they catch smaller particles to ensure your home is void of allergen triggers, chemicals and even odors.



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