



## Reconsider Paying Off Your Mortgage Early

No one likes a huge amount of debt hanging over their head, do they? Millions of Americans enter into mortgage contracts each year and subject themselves to just such pressure for decades to come. There are plenty of people who would love to have that debt paid off early to relieve their stress. Yet mortgage debt may not be such a bad thing after all. Consider the following reasons for not paying off your mortgage as quickly as you can.

### Greater Investment Opportunities

If you were to try to throw all your available income at your mortgage in order to pay it down faster, you would have no money left over to invest for retirement or other financial dreams. By making a traditional 30-year mortgage payment monthly, you will likely have money to spare to put toward your IRA, or into high-yield stocks, bonds, or mutual funds. You might even invest in more real estate, like rental properties. Investing may be a much better choice if you have a mortgage loan with a low interest rate. You may be able to earn more on your investments than you would eventually save on interest by pre-paying your home loan.

### Greater Tax Savings

All interest paid on your mortgage loan is tax deductible. Basically you get to subtract the amount of interest you pay each year from the amount of taxes you are required to pay. So this too may provide extra money to invest elsewhere. Plus these tax deductions can be a huge benefit if you are in a high tax bracket. They may lower both your taxes and your tax bracket. You should also realize that during the beginning of your mortgage loan, more of your repayments go toward the interest and you will benefit most from this tax savings at the front end of your loan.

### Less Stress?

Yes, it may be possible to have less stress paying off a mortgage slower rather than faster. If you consistently tax your resources to make the largest mortgage payment you can, you will likely feel plenty of stress as you try to stretch the rest of your income to cover the rest of life's expenses. Plus if you have a little to spare each month after your mortgage and living expenses are paid, you will have greater peace of mind regarding possible financial emergencies or crises. If you have some unexpected medical problems, for example, you will be glad you kept some reserve funds to pay off those bills. The left over monthly funds can also go towards yearly or semi-yearly vacations, another way to relieve some routine stress for a week or two!

There are definitely advantages to paying off your mortgage early, namely saving tens or hundreds of thousands in interest payments over the long run. Yet the financial burden of trying to pay down that loan quickly may rob you of other opportunities and experiences. The choice ultimately depends on your financial goals, discipline, and your tolerance of risk!