



# Secret To Shave 5+ Years Off Your Mortgage



## ◆ Step 1: Convert to Bi-Weekly Payments

-  Contact your lender and request a bi-weekly payment schedule.
-  Set up automatic payments aligned with your pay periods.

- 🎯 Goal: Make 26 payments a year instead of 12, resulting in 1 extra month of principal payments annually.

### ◆ Step 2: Commit Your Tax Refund

- 💰 Plan each year to dedicate your tax refund toward a lump sum payment.
- 📝 Inform your lender of the lump sum and specify it goes directly to principal.

### ◆ Step 3: Boost Your Regular Payments


- 📈 Increase your mortgage payment by \$50–\$100/month.
- 🛠 Log in to your lender's portal or call them to set this up.
- 💡 Tip: Review your budget and find small cuts to offset this increase.

### ◆ Step 4: Start with a Variable Rate Strategy



- 💬 Ask your broker for a low variable-rate mortgage option.
  - 👁 Monitor rates and trends regularly.
  - 🔒 Lock in a fixed rate when market dips.

### ◆ Step 5: Re-shop Your Mortgage Every 5 Years



- 📅 Set a calendar reminder at year 4.5 of your mortgage term.
- 🧠 Contact a broker (like Sean Rampersaud) to compare rates before renewing.

-  Consider switching lenders if the rate savings are 0.5% or more.



### ◆ Step 6: Consider Starting with an Insured Mortgage

-  Weigh the lower rate of an insured mortgage against the premium cost.
-  Plan to apply a large lump-sum principal payment within 3–5 years to aggressively cut the balance.



### ◆ Step 7: Round Up Your Payment

-  If your payment is \$1,863, round up to \$1,900 or \$2,000.
  -  Update automatic payments to the new amount.

### ◆ Step 8: Make One Extra Payment Per Year

-  Choose a bonus month (e.g., December) to make an extra full monthly payment.
-  Use side income, tax refund, or annual bonus to fund it.

### ◆ Step 9: Max Out Prepayment Privileges

-  Check your mortgage terms for your annual lump sum allowance (usually 10–20% of original balance).
  -  Plan an annual lump sum prepayment event to stay within the limit.

### ◆ Step 10: Refinance When Strategic

- 🔍 Watch for rate drops or improve your credit score.
- 📄 Refinance into a lower interest rate mortgage and **keep your payments the same** to accelerate principal reduction.



## 🏠💰 Ultimate Guide: How to Pay Off Your Mortgage Faster & Make Payments Easier

### 🕒 STEP-BY-STEP MORTGAGE PAYOFF PLAN

#### 1. 🏠 Clear High-Interest Debt First

- Pay off credit cards and personal loans before accelerating your mortgage. It's like fixing leaks before filling a bucket.

#### 2. 🏠 Create an Emergency Fund

- 3–6 months of expenses protects you from job loss, illness, or market shocks without derailing your mortgage plan.



### 3. **Make Extra Payments to Principal**

- Round up your payments (e.g., from \$1,863 → \$1,900).
  - Add small recurring boosts (\$50–\$100/month).
- Apply lump sums like tax returns, bonuses, or gift money.

### 4. **Switch to Bi-Weekly or Weekly Payments**

- Bi-weekly = 13 payments/year = 5+ years shaved off a 25-year mortgage.
- Accelerated weekly = 52 smaller payments a year—faster principal burn.

### 5. **Refinance or Recast at the Right Time**

- Refinance to a **shorter term** (15 years) or better rate.
- Recast your mortgage if you've made a lump-sum payment—recalculates your monthly to be lower without changing your rate.

### 6. **Use Lump-Sum Prepayments Strategically**

- Drop an early \$10K into your mortgage? You'll save thousands in interest.

### 7. **Use Windfalls Wisely**

- Instead of lifestyle upgrades, dump that surprise money (inheritance, tax return, side hustle income) into your mortgage.

### 8. **Know Your Prepayment Limits**

- Most Canadian lenders allow up to **15–20% per year** in lump-sum principal payments without penalty.



## 🧠 SMART STRATEGIES TO EASE MONTHLY MORTGAGE PAYMENTS

### 9. 🏠 Rent Out a Room or Suite

- Rent your basement, garage loft, or spare room.
- Generate \$800–\$1,500/month—lowers your real out-of-pocket mortgage cost.

### 10. 🏠 Use a Readvanceable Mortgage (HELOC Strategy)

- Use the Smith Manoeuvre or cash flow dam technique.
- Every principal payment unlocks HELOC credit you can reinvest.

### 11. 📈 Use RRSP Refunds to Prepay

- RRSP contributions reduce tax—use the refund for lump-sum prepayments.

### 12. 💰 Match Mortgage Payments with a Shadow Savings

- Every time you pay \$2,000 to the bank, match that into savings.
- Creates a war chest to kill your mortgage later or pad retirement.

### 13. 🏠 **Downsize or Move to a Cheaper Area**

- Sell, buy smaller or further out, and use equity to pay off a big chunk—or go mortgage-free.

### 14. 📋 **Challenge Your Property Tax Assessment**

- Over-assessed property? Appeal and potentially save \$1K+/year.

### 15. 📄 **Cancel Mortgage Insurance Early**

- If your equity > 20%, ask your lender to cancel CMHC or Sagen insurance.

### 16. 🤝 **Ask About Employer Housing Programs**

- Some employers offer homeownership grants or down payment matching.

### 17. 💡 **Join a Credit Union**

- Often better rates, flexible terms, and **friendlier prepayment privileges**.

### 18. 💰 **Live Below Your Means**

- Bank your raises and promotions instead of upgrading your lifestyle.

## ✅ **QUICK ACTION CHECKLIST**

Task	Frequency
Add \$100–\$500/month to principal	Monthly
Make 1 extra mortgage payment	Annually
Apply tax refund or bonus to mortgage	Seasonally
Refinance or recast	Opportunistically
Rent a room	Monthly
Cancel CMHC once 20% equity reached	As soon as possible
Appeal property taxes	Yearly
Audit spending and redirect to mortgage	Quarterly

### **Bottom Line**

Whether you want to **be debt-free faster**, free up future cash flow, or save **tens of thousands in interest**, this playbook gets it done. Use a mix of small daily habits and bold power moves—tailored to your lifestyle and income.