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Using Mortgage Tools: the Lump Sum Repayment Calculators by Crowin Smith

Article published on December 13th 2011 | Mortgage

What do the rich people have in common when it comes to mortgages? Well, they are all averse to incurring debt. If you dream to financially succeed in the near future, you should be wary of simple yet meaningful things like repaying your debts as soon as you can. If you have a mortgage and you also have some extra money to spend, a good way of spending it would be by making lump sum payments in addition to what you normally pay each month. This practical approach to debt settlement works by decreasing your mortgage principal, your interest payments and eventually the term of your loan. The more frequent the payments, the better. However, this is something that can only be done provided you have some funds to spare. If not, then thereâ€™s no point in squeezing your budget just so you can repay your mortgage earlier.

Lump sum repayment calculators are some of the innovative online software that enables borrowers to better understand how their lump sum payments can save them a lot of money and time on their mortgage. The calculator will require you to provide some information about your loan. Once youâ€™ve keyed all these information, you will also be asked to come up with a lump sum amount to complete the estimate. You can also determine the period in which you will continue to make additional lump sum payments.

The calculator will provide you with results in the form of several graphs and tables. What youâ€™ll see includes the loanâ€™s new term after the additional payments, the original loan term, and the amount of the debt. By comparing the results, you will realize just how the lump sum payments dramatically allow you decrease your payments and lower your mortgage term.

Since almost every mortgage website these days offer different mortgage tools, it would be wise to check out several mortgage calculators from different websites. Doing this enables you to determine the consistency and accuracy of results. But to find out the exact figures, you will have to approach your lender and discuss the figures so they can verify. Besides, they will definitely have their own computation.

And while the whole idea of lump sum repayments seems great, you have to take note of the original agreement between you and the lender. Some lenders do not allow additional payments especially when the loan is locked in fixed rate. They tend to penalize the borrower if he or she decides to avail of the additional payment option.

Lump sum repayment calculators provide an added boost to borrowersâ€™ capability to better manage their mortgage. Just remember that these software only provides estimates, which means your lender will have the last say regarding your lump sum repayments.

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Crowin Smith - About Author:
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Article Keywords:

mortgage calculators, mortgage calculator

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