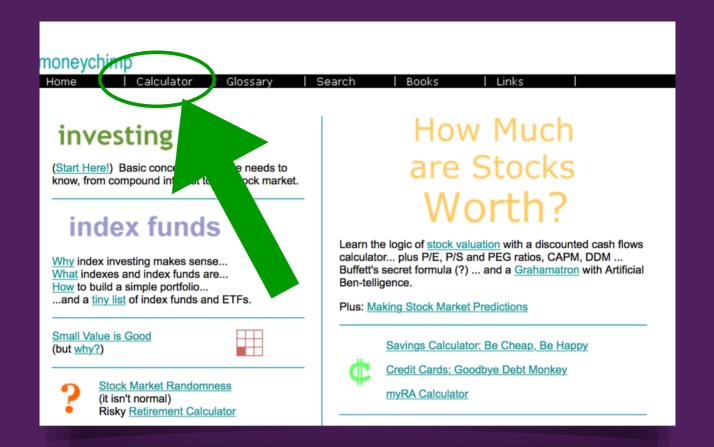
# Should You Pay Off Your Mortgage?





#### Step #1

# Open a new window and go to http://www.moneychimp.com

Click on "calculator" in the thin black bar at the top of the page. Enter your current debt (which is the amount you would pay off, over and above the down payment or equity). Add the years to grow (years left on your mortgage), interest rate (what you could earn on your investments, I recommend 8%) and then click "calculate". The amount your money would grow to (if you didn't use it to pay off your mortgage) is that number.

Enter your numbers on the worksheet below.

#### Step #2 - Complete Worksheet

Mortgage Debt

Interest Rate if invested (suggest 8%)

0------

# Years Left on Mortgage

0\_\_\_\_\_

Calculate

(This is the amount your lump sum would grow to if invested).

### Worksheet Example

Mortgage Debt

Interest Rate if invested (suggest 8%)

# Years Left on Mortgage

Calculate (A)

(This is the amount your lump sum would grow to if invested).

# Step #3

#### Calculate Interest Saved

There is a benefit to NOT having to pay interest, so we need to deduct that from the amount in step #2 to get your net benefit.

Amount of Mortgage	0
Interest Rate on Mort	gage oo
Number of Years Left	on Mortgage
Calculate (B)	0

## Worksheet Example

#### Calculate Interest Saved

There is a benefit to NOT having to pay interest, so we need to deduct that from the amount in step #2 to get your net benefit.

Amount of Mortgage

\$300,000

Interest Rate on Mortgage

**3.5**%

Number of Years Left on Mortgage

15

Calculate (B)

\$502,604

# Step #3 Calculate Your Net Benefit

A - B = Net Benefit

\$951,650 - \$502,604 = \$449,046 net benefit

By investing your money, you could net \$449,000 over paying off your mortgage.

This is for illustration purposes only.

No guarantee of results.