

[9 Things To Ask Before Selling Your Home Do Real Estate Agents Really Matter Anymore?](#)

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Should you pay off your mortgage early?

It's a question personal finance experts have been debating for years. Some say it makes financial sense to invest that money in the stock market, while others say you won't ever regret being 100% debt free.

In 2010, I set a personal goal to pay off my mortgage by March 2015, my 30th birthday. Following the steps below, I reached my goal several years ahead of schedule. I got rid of my \$86,000 mortgage just 2 years after buying a one-bedroom condo in Atlanta, Georgia.

Here are the 6 steps I followed to pay off my mortgage faster

Step 1: I BOUGHT A HOME I COULD AFFORD

If you want to finance a home, [you'll need to get prequalified first](#). The bank will look at your overall financial picture and spit out an amount that you're likely to get a loan for. Some people use this number to set a housing budget, but not me. The bank is just guessing. I examined my monthly budget and determined what I wanted to spend on housing. It ended up being much less than what the bank told me I could afford.

Step 2: I GOT A 15-YEAR MORTGAGE

I decided to calculate the difference between a 15-year mortgage and a 30-year one. Of course, a 15-year mortgage will always cost you more per month. The advantage is that you'll save on interest charges because the term is shorter and the interest rate is lower. In my case, the interest rate for the 15-year loan was 0.75% lower than the 30-year mortgage.

Step 3: I SET A TARGET PAYOFF DATE

Shortly after moving into my new condo, I used [an online mortgage payoff calculator](#) to set a payoff goal that would be both challenging and attainable. I posted reminders of my goal around the condo and let my close family and friends know about it so they could help hold me accountable.

Step 4: I STARTED AUTOMATIC BIWEEKLY PAYMENTS

In order to speed up my mortgage payoff, I started automatic biweekly payments through my loan provider. I paid half of the monthly mortgage payment every 2 weeks. That's basically the same as 13 monthly payments a year. My bank got the ball rolling on this for free, but some loan providers charge a fee. Give yours a call to talk over your options. (If you are being charged a fee, you can [easily set up your own accelerated mortgage plan at no cost.](#))

Step 5: I REDUCED EXPENSES AND INCREASED EARNINGS

I reviewed my budget from top to bottom to find ways to reduce expenses and increase my earnings. This is how I learned to sweat the small stuff because all of those credit and debit card purchases really add up!

Here are a few ways I saved:

- Cut cable service – Saved \$600/year
- Switched car insurance providers – Saved \$480/year
- Packed my lunch – Saved \$1,000/year
- Made coffee at home - Saved \$500/year
- Stopped buying new clothes – Saved \$1,200/year

I also volunteered for extra shifts at the office, waited tables part-time, and picked up pet sitting gigs on [Craigslist](#) to make more money. I used all of my extra income, including tax refunds and work bonuses, to prepay the mortgage.

Step 6: I REWARDED MY SUCCESS

I never felt deprived throughout the mortgage payoff process because I rewarded myself along the way. For every \$5,000 I knocked off my mortgage, I allowed myself \$100 to spend on whatever I wanted. Sometimes I didn't even use that money because I was so focused on reaching my goal. When I sent my final mortgage payment to the bank in December 2012, I booked a vacation to celebrate my freedom from debt.

FINAL THOUGHT

Whether you plan to pay off your mortgage early or not, some of these steps can be applied to other types of debt. It all boils down to hard work. As a middle-class professional, paying off my \$86,000 mortgage in 2 years was not easy. It required discipline, organization and most importantly, the right attitude.

Michael Timmermann paid off his mortgage in two years when he was 27. Now, he shares his money-saving tips on his blog, [Save on Almost Everything.](#)