

Get debts under control

Not a control freak? You should be, at least when it comes to being in control of your debts. The alternative is not a good way to be.



Step 1

Pay off your credit card As you know, credit cards charge high interest rates - considerably more than a home loan - so if you don't pay off your full balance each month, the interest you're charged will quickly increase your total debt.

Step 2

Take charge of your mortgage Paying off a mortgage early can save you thousands of dollars in interest repayments. By making extra payments toward your home loan, it will take less time to pay off as you're paying less interest.

Consider:



Normally, loan repayments are calculated on a monthly basis. However, most lenders will give you the option of repaying your loan monthly, fortnightly, or even weekly.



Most variable-rate loans will allow you to make extra repayments with no extra costs, compared to a fixed-rate or interest-only loan.



By paying your loan off weekly or fortnightly, you'll be paying off the capital more quickly, resulting in a lower interest charge.



Protect yourself against interest rate rises. If your home loan rate starts to rise, you can be absolutely sure of one thing – that any personal loans or credit cards held will also increase in cost.



Getting the right loan the first time is a huge consideration when it comes to saving money. So make sure your loan is the best one for your circumstances.



Consider bringing all your loans under the umbrella of your home loan to access a lower interest rate.