



LET'S TALK REAL ESTATE

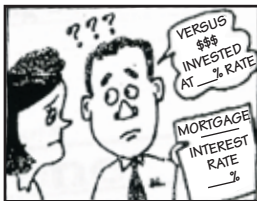
with **KEVIN ELLIS**

PAY OFF MORTGAGE?

QUESTION: We may dip into our savings to pay off the mortgage. Is this wise?

ANSWER: Psychologically, you'd get a lift from it. There's nothing more secure than knowing you no longer have to worry about mortgage payments. Financially, though, it may be pointless.

The net effect of putting a lump sum into prepaying a mortgage is approximately the same as investing that amount at whatever interest rate the mortgage carries. This could mean investing at a lower rate than you could get elsewhere. You would be better off, for example, putting the same money into a high-return time deposit and letting the mortgage run.



PAYING off the mortgage may feel good, but it may be financially unwise. Interest rate is the key.

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your home call KEVIN ELLIS, Broker*

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