

The Bi-Weekly Mortgage

By paying one-half of the typical monthly mortgage payment every two weeks rather than one full payment every month, a 30-year mortgage can be paid off in approximately 20 years. The 26 bi-weekly payments are the same as 13 monthly payments during the year; in other words, one “extra monthly payment.”

This extra monthly payment, along with the more frequent application of the payments against the loan balance, greatly speeds up the payoff of the loan. Also, since the “extra monthly payment” is spread evenly throughout the year, it generally does not adversely affect the family budget.

Payments on the bi-weekly mortgage are generally made by automatic withdrawal from the homeowner's checking account every two weeks.

Payments on Various Size Loans and Total Interest Saved¹

Interest Rate / Term in Months ²	\$100,000		\$150,000		\$200,000	
	Bi-Weekly Payment Amount	Total Interest Savings	Bi-Weekly Payment Amount	Total Interest Savings	Bi-Weekly Payment Amount	Total Interest Savings
4.5% / 308	\$253	\$14,019	\$380	\$21,028	\$507	\$28,037
5.0% / 303	\$268	\$17,164	\$403	\$25,750	\$537	\$34,328
5.5% / 299	\$284	\$20,755	\$426	\$31,128	\$568	\$41,503
6.0% / 294	\$300	\$24,808	\$450	\$37,221	\$600	\$49,624
6.5% / 290	\$316	\$29,369	\$474	\$44,061	\$632	\$58,746
7.0% / 285	\$333	\$34,464	\$499	\$51,700	\$665	\$68,927
7.5% / 280	\$350	\$40,096	\$524	\$60,149	\$699	\$80,203
8.0% / 274	\$367	\$46,301	\$550	\$69,452	\$734	\$92,602
8.5% / 269	\$384	\$53,079	\$577	\$79,600	\$769	\$106,144

Interest Rate / Term in Months ²	\$250,000		\$300,000		\$350,000	
	Bi-Weekly Payment Amount	Total Interest Savings	Bi-Weekly Payment Amount	Total Interest Savings	Bi-Weekly Payment Amount	Total Interest Savings
4.5% / 308	\$633	\$35,045	\$760	\$42,050	\$887	\$49,058
5.0% / 303	\$671	\$42,907	\$805	\$51,492	\$939	\$60,073
5.5% / 299	\$710	\$51,883	\$852	\$62,259	\$994	\$72,632
6.0% / 294	\$749	\$62,029	\$899	\$74,440	\$1,049	\$86,837
6.5% / 290	\$790	\$73,431	\$948	\$88,123	\$1,106	\$102,808
7.0% / 285	\$832	\$86,155	\$998	\$103,39	\$1,164	\$120,619
7.5% / 280	\$874	\$100,24	\$1,049	\$120,29	\$1,224	\$140,352
8.0% / 274	\$917	\$115,75	\$1,101	\$138,90	\$1,284	\$162,042
8.5% / 269	\$961	\$132,67	\$1,153	\$159,21	\$1,346	\$185,743

¹ The interest savings shown illustrate the difference between the interest paid on a 30-year fixed-rate mortgage making monthly payments vs. bi-weekly payments. All figures are approximate.

² The number of months required to fully pay off the loan on a bi-weekly payment schedule.