

## Ready to Retire Your Mortgage?

**Living mortgage-free used to be the hallmark of a successful retirement. But today's retirees and pre-retirees are challenging conventional wisdom by questioning whether paying down the mortgage still makes sense.**

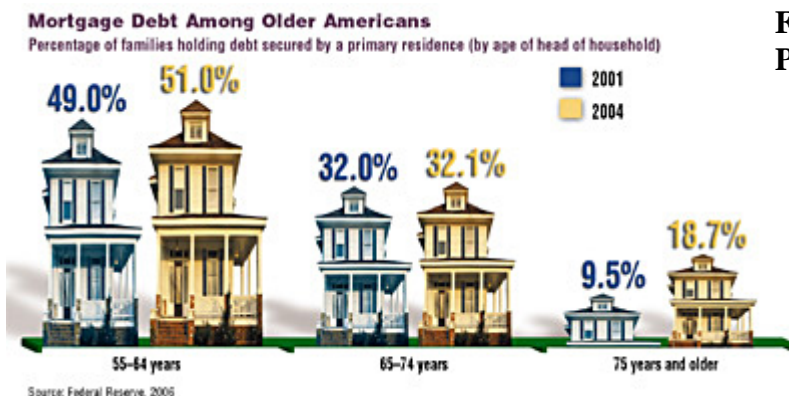


Unfortunately, there is no easy, one-size-fits-all answer. The appropriate response depends on a number of variables, including your income, current portfolio, risk tolerance, and mortgage balance.

Here's a quick look at some of the factors to consider when determining whether to pay off your mortgage, pay it down faster, or change nothing at all.

- **Comfort level.** If the thought of carrying a high mortgage throughout retirement makes you nervous, paying it off faster or completely may be a priority for you.
- **Retirement savings.** One rule of thumb is that your savings, along with Social Security, should be sufficient to replace 60 to 80 percent of your pre-retirement income. If you're comfortable with both your savings level and your mortgage payment, paying down your mortgage may be less important.
- **Mortgage interest rate.** If the interest rate you are paying on your mortgage is low, you may be able to earn more from other types of investments. Of course, investments offering the potential for higher rates of return also involve more risk.
- **Tax bracket.** If you keep making mortgage payments, you will be able to continue deducting the mortgage interest. This may be a valuable tax savings if you are in a high tax bracket in retirement.
- **Source of funds.** What funds will you use to pay down your mortgage, and what is the cost of using those funds? Will you be subject to any fees or penalties? What are the tax implications, if any, of using those funds?

Your home is probably one of your most valuable assets, so consider your options carefully before taking any action. Call today for help with this and other decisions that could affect your financial future.



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