

# Pay Down the Principal

As you make all those home improvements, don't forget the cash! Your financial strategy can boost your home value in a big way. Many different loan features can be added together to give someone a loan that is comfortable for them; give them an opportunity to do home improvements and to invest in their future.

Don't overdo your down payment. If you spend all your money in a down payment then you may not have enough to do the improvements you want. The rule of thumb is if you are moving into a fixer upper, go for 10% down.

Don't rush into your home loan, there are dozens of types. The strategy that you develop for the type of loan you want depends on where you see yourself in five or ten years. Managing your debt payment with an interest-only payment will give you an opportunity to save that money for retirement or save it for a college fund.

Refinancing is a chance to switch up your loan and try something new. Avoid using refinancing as a financial crutch. Are you doing it to lower your interest rate, or are you doing it because you want cash? If you are moving in a year, refinancing probably isn't a good idea since it costs between \$1,900 and \$2,600.