Set up an extra repayment in 5 minutes

You've seen what a coffee a day can do to your home loan. This guide gets that money working, automatically, so you never have to think about it again.

First, two quick checks

1. Is your loan variable or fixed?
Variable: most lenders let you make extra repayments with no fee and no limit.

Fixed: many lenders cap extra repayments during the fixed period (often a few thousand dollars a year) and may charge break costs above that. Check your loan terms or ask your lender before you start.

2. What is your repayment right now?
Find the amount on your latest statement or in your banking app. You'll add your extra on top of this number.

Pick your method

Method	How it works	Best for
A. Raise your repayment Recommended	Ask the bank to take your repayment plus $150 each month.	Most people. It's automatic and impossible to forget.
B. Scheduled transfer	Set up a recurring $150 transfer into the loan account on payday.	If your bank won't change the repayment amount online.
C. Use your offset	Move $150 a month into your offset account and leave it there.	If you want the money to stay reachable. Saves almost the same interest, but only if you don't spend it.

The 5 minutes (Method A)

1. **Log in to your banking app or online banking.**
   Any device works. Have your loan account in view.
2. **Open your home loan account.**
   Not your everyday account. The loan itself.
3. **Find the repayment settings.**
   Usually called "Change repayment", "Manage repayments" or "Repayment amount". Can't find it? Call your bank and say: "I'd like to increase my monthly repayment by $150 above my current amount."
4. **Set your new amount: current repayment + $150.**
   Choose a **fixed dollar amount**, not "minimum repayment". More on why on the next page.
5. **Save, then screenshot the confirmation.**
   Check your next statement shows the higher repayment. That's it. Done.

Three traps to avoid

1. The "minimum repayment" setting
If your repayment is set to "pay the minimum", the bank can lower it when your balance or rate changes, and your extra quietly disappears. Ask for a fixed amount instead.

2. Redraw
Extra repayments often sit in "redraw". They still cut your interest, but if you take them back out, the saving goes with them. Some lenders also charge a fee or set a minimum to redraw.

3. Rate rises
When rates go up, your bank lifts your minimum repayment. After each rise, check your repayment is still your new minimum **plus** your $150.

What your $150 a month is doing

On a new $600,000 loan at 6.49% over 30 years, $150 a month extra takes about **3 years 1 month** off the loan and saves about **$95,600** in interest. Add $10,000 in an offset account and it's about **4 years 1 month** and **$140,000**. Your numbers will be different, so run your own at **folio4life.com.au**.

Want to see it happen month by month?

The **Folio Mortgage Payoff Tracker** (Excel and Google Sheets, $10) shows the months you've won back as you log real payments, rate rises and your offset balance. One payment, no subscription, no bank login.

folio4life.com.au | Questions? sales@folio4business.net

Not financial advice. Just the maths your bank doesn't show you. Figures assume a constant rate, monthly repayments and extra paid from today.