



consumer guide to

Reverse Mortgages

COMFORTABLE
RETIREMENT



What you'll learn in this video:

1. Introducing Dean George
2. The new solution to an old problem
3. Are you eligible?
4. Is it right for you?
5. The benefits & your new opportunities
6. How does a reverse mortgage work?
7. What should I expect?
8. The best match
9. What comes next?
10. What will a reverse mortgage cost?
11. What about my estate?
12. Begin your Comfortable Retirement today



What is a Reverse Mortgage?

A reverse mortgage, also known as a Home Equity Conversion Loan, allows seniors aged 62 or older to convert some of the equity in their home into tax-free income.

With a reverse mortgage, you do not have to sell your home, give up the title to your home, or take on a new monthly payment. In fact, a reverse mortgage pays you money—in a lump sum, a monthly installment, or as a line of credit. You stay in your home, and receive money from your lender on your terms.

You keep your home, and you do not have to make any mortgage payments, and the income you receive from the reverse mortgage will not affect your Social Security or Medicare benefits.



What are the Benefits of a Reverse Mortgage?

Since the money you will receive with a reverse mortgage is based on the equity in your home, it is non-taxable. Think of it this way: the value represented by your home is already yours—you'll simply be converting it from equity into cash.

The money you will receive with a Reverse Mortgage never needs to be repaid for as long as you live in your home. Instead, the loan is repaid in full when you leave your home for whatever reason.

Reverse Mortgage programs are federally secured—there is no chance of losing your home with a reverse mortgage. Furthermore, the balance of the mortgage will never exceed the value of your home. If your home should depreciate, the government makes up the difference when it is time to repay the loan.

The money you receive from a reverse mortgage will not affect your Social Security or Medicare benefits because it does not count as additional income—remember, a reverse mortgage represents value that you already have, simply converted from home equity into cash.



Is a Reverse Mortgage Right for Me?

Reverse mortgages are opening up exciting possibilities for thousands of seniors every year, and your NRMLA-affiliated reverse mortgage specialist can help you determine if one could help you too.

When you call your recommended specialist, you'll also speak with a HUD-approved credit counselor who will discuss all your financial options with you—including a reverse mortgage.

You may be a good candidate for a reverse mortgage if:

- You are over sixty-two years of age. Reverse Mortgage programs are for seniors only.
- You have less debt on your home than equity. Individual lenders vary in their requirements, but as a rule of thumb you should have more equity than debt.
- You plan on staying in your home for more than three years. A Reverse Mortgage is a long-term financial strategy, and may not be advantageous if you are only planning on staying in your home for two or three years.



How Much Money Can I Get?

Several factors determine how much money you can get from a reverse mortgage. These include:

- Location
- Equity
- Your Age
- Your Home Value

Generally speaking, the older you are and the more equity you have in your home, the more money you will receive.

In a 2004 study by the National Council on Aging (NCOA), Project Manager Barbara Stucki cited the average reverse mortgage payout at \$72, 128 for a Home Equity Conversion Mortgage, or HECM.

Comfortable Retirement has seen a significantly higher average payout since 2006, approaching the \$123,000 mark. Of course, this is an average—your payout will be dependent solely upon your individual circumstance.

Talk to your recommended reverse mortgage specialist today to get started. Although this booklet can show you averages, only your local specialist can tell you exactly how much you may receive.



Sample Qualifying Payouts

Age	Home Value	Available Lump Sum	Available Monthly Cash
65	\$50,000	\$19,699	\$117
70	\$50,000	\$22,268	\$138
75	\$50,000	\$25,087	\$166
80	\$50,000	\$28,095	\$206
65	\$100,000	\$48,649	\$288
70	\$100,000	\$53,518	\$332
75	\$100,000	\$58,787	\$390
80	\$100,000	\$64,298	\$472
65	\$150,000	\$76,649	\$453
70	\$150,000	\$83,818	\$519
75	\$150,000	\$91,537	\$607
80	\$150,000	\$99,545	\$730
65	\$200,000	\$89,766	\$531
70	\$200,000	\$98,012	\$607
75	\$200,000	\$106,879	\$709
80	\$200,000	\$116,053	\$851

Sample Payouts for Allegheny County, PA, April 2004. Assuming home is paid in full
 These are estimates only—this chart does not constitute an offer or guarantee.
 Your payout amount may differ.

How Can I Repay the Reverse Mortgage?

A reverse mortgage is a very special type of loan—if you don't wish to repay it, you don't have to. The money, and your home, are yours for as long as the house remains your principle residence—you are free to move, without restriction, so long as you maintain ownership of the home or pay off the balance of the reverse mortgage.

If your heirs wish to keep the home after you pass on, your reverse mortgage specialist will be happy to discuss the numerous options available for doing so, including refinancing the loan or paying off the balance of the reverse mortgage. Additionally, you can repay the mortgage at any time if you wish. Remember, you only have to pay the balance you've actually borrowed.

If your home appreciates, or you have unsettled equity, then you or your heirs will be compensated for the difference. If your home has depreciated, resulting in a loan amount that is greater than the value of your home—relax; the government pays the balance. You absolutely cannot accrue debt from a reverse mortgage.



What are the Different Types of Reverse Mortgage?

American seniors should know about the following three types of reverse mortgage.

HECM—Home Equity Conversion Mortgage

The most common type of Reverse Mortgage is the Home Equity Conversion Mortgage, or HECM. The amount you can borrow on an HECM is based in part on your age, appraised home value, and current interest rates, and is capped by FHA lending limits which are region-specific, and range from \$200,160 to \$362,790.

Fannie Mae Home Keeper®

The Fannie Mae Home Keeper® is comparable to a HECM, but is an expanded product designed to meet the needs of condominium owners, owners of higher-value homes who would otherwise be limited by FHA lending limits, and individuals wishing to buy a new home with the proceeds of their Reverse Mortgage. A Fannie Mae Home Keeper® has a maximum dollar limit of \$417,000.

Financial Freedom Cash Account

Mainly for extremely high-value homes, a Financial Freedom Cash Account has a higher limit than either the HECM or Fannie Mae Home Keeper, and is the only “Jumbo” Reverse Mortgage product available—as such, it is only appropriate for seniors with homes valued at \$450,000 to \$750,000 and is not available in all areas.



Reverse Mortgage Misconceptions

I've heard that a reverse mortgage counts as income, and will hurt my social security benefits.

Reverse mortgages have no effect on social security and Medicare benefits. If you are on Medicaid, you should talk to your reverse mortgage specialist about using the money you'll get in such a way that it won't affect those benefits either.

What about my heirs?

Talk to your children, your grandchildren, and anyone who cares about you who might inherit what you leave behind and you'll soon realize that they would much rather see you enjoying your retirement and living well in your golden years than watch you struggling to make ends meet so that they can have your home or land. You are more to them than an inheritance—involve them in your decision. And since there are no limits on what you can do with the money you'll receive, you can give help to those that need it now rather than just granting them an inheritance when you pass away.

I've heard that if I choose the line of credit, I'll earn interest.

Although your line of credit will increase proportionally to the value of your home, you are not actually earning interest.

What if I change my mind?

Relax—even after you've signed all the documents and gone through the whole process, when you have in fact agreed to the terms of the loan, you still have three days to cancel. Because all ComfortableRetirement affiliates are members of NRMLA, you can count on courteous assistance, and you will never be pressured into accepting the loan.

How Can I Use My Reverse Mortgage?

You can use the money you receive from your reverse mortgage for whatever you like—pay off debts, help family members with their expenses, pay for medical treatments, put a grandchild through college, make home improvements, take a vacation, or just live more comfortably in retirement.

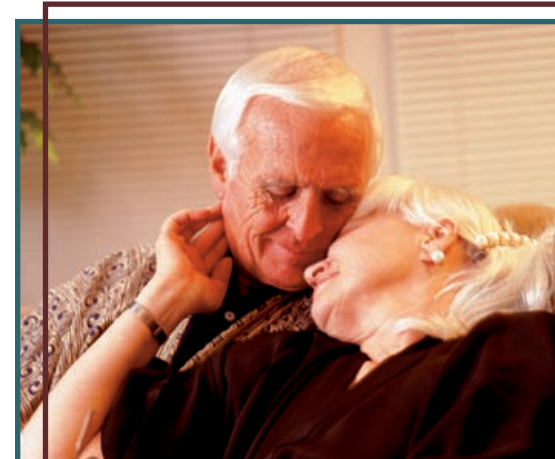
Your imagination is the only limit on the uses for this tax-free income.

When you qualified for this free information kit, we sent your name on to a trusted, NRMLA-accredited partner who specializes in issuing Reverse Mortgages in your area. While this booklet contains answers to the most common questions seniors have about reverse mortgages, it can't tell you everything—only your certified reverse mortgage specialist knows if a reverse mortgage is right for you, and only they can help you obtain the financial independence you deserve.

We hope you'll call your local reverse mortgage specialist, and we thank you for calling us first.

Sincerely,

The ComfortableRetirement team





COMFORTABLE RETIREMENT

***How you can receive tax-free
income from your home and never
have a mortgage payment for
the rest of your life.***