



Reverse Mortgage

THE FINANCIAL SOLUTION FOR YOUR PEACE OF MIND



What Is a Reverse Mortgage?

A Reverse Mortgage, also known as a Home Equity Conversion Mortgage (HECM), is a loan which allows property owners 62 and older to convert real estate equity into spendable cash.



How Does a Reverse Mortgage Work?

The lender makes payment(s) to you based on a percentage of accumulated home equity. You are given the option to receive the cash value of the equity in the form of a lump sum, monthly distributions, or a line of credit





Reverse Mortgage Uses

Reverse Mortgages have grown to become a useful retirement planning solution, covering a spectrum of senior needs, including:



**Supplemental
retirement
income**

**Daily living
expenses**

**Home repair or
modification**

**Health care or
caregiver
expenses**

**Debt
Reduction**

**Property taxes
and insurance**

**Delay of Social
Security
benefits**

**Divorce/equity
buyout**

Reverse Mortgage Advantages

No monthly principal or interest payments

Non-taxable proceeds*

No restrictions for how the funds can be used

Retained property title and ownership

Ability to continue living in the home

*Please consult your tax advisor



Borrower Eligibility Requirements

- At least one homeowner must be 62 years of age or older
- Participate in a consumer information session given by a HUD-approved HECM counselor
- Occupy the property as a principal residence
- Have financial resources to continue to make timely payment of ongoing property charges such as property taxes, insurance and homeowner association fees, etc.



Property Eligibility Requirements



Eligible Properties

- Single-family home or a 2-4 unit home
- HUD/FHA approved condo (meets HUD spot approval guidelines)
- Manufactured home that meets HUD requirements
- New Construction



Ineligible Properties

- Co-ops
- Boarding houses
- Bed and breakfasts
- Manufactured Homes built before 7/5/1976
- Condo units that are not HUD/FHA approved

How Much Equity Can I Access?

- The older the borrower(s), the more funds may be available.
- The higher the appraised home value, the more funds may be available.
- The lower the interest rate, the more funds may be available.



CALL TODAY FOR A
→ PERSONALIZED QUOTE.

How Are Reverse Mortgage Proceeds Paid Out?



Lump Sum Payout

Pay off large expenses or other debts

Monthly Installments*

Regular cash installments in the amount you need for a set period of time or for the life of the loan.

Growing Line of Credit

Access the available "standby" funds when you need them.

*Disbursements on HECM reverse mortgages are subject to the restrictions and limitations set by HUD.

Does My Home Need to Be Paid Off in Order to Begin a Reverse Mortgage?

NO!



However, any underlying mortgages will need to be paid off with either the proceeds of the Reverse Mortgage and/or with other funds.

Does the Lender Own My Home?

NO!

Reverse Mortgage borrowers retain full ownership to their homes. Since they are borrowing against the value of their home, they do not need to relinquish property title. As long as the borrower complies with the terms of the loan, they may not lose their home under normal circumstances.

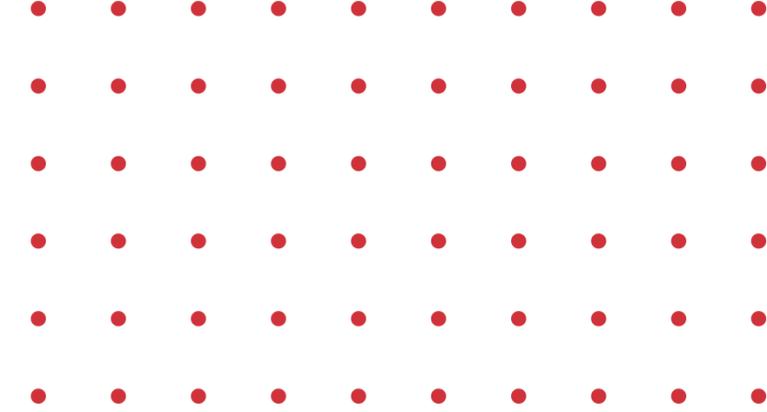


Can I Get a Reverse Mortgage If My Spouse Is Not 62 Yet?



However, HUD requires that at least one borrower be 62 years or older. The age of the youngest spouse is used to calculate the amount of money that can be accessed through a Reverse Mortgage. As a non-borrowing spouse, they may remain in the home once the borrowing spouse passes but will stay under the same obligations of the loan.





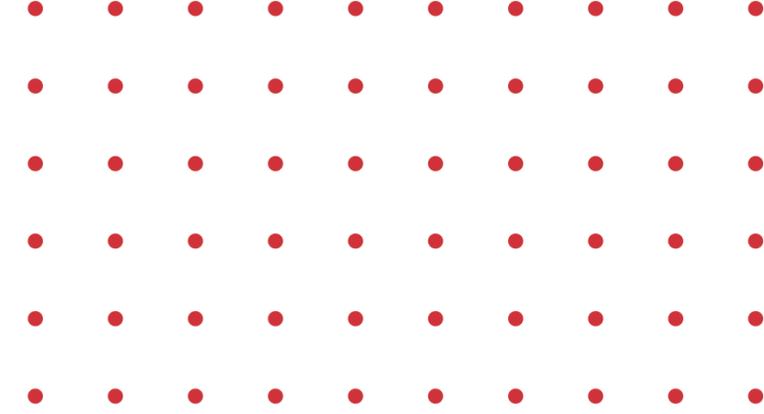
Can I Still Sell My Home With a Reverse Mortgage?

YES

However, like every other mortgage, a Reverse Mortgage becomes due and payable when the property is sold or whenever all borrowers leave the home. There is absolutely no pre-payment penalty or restrictions as to the homeowner's right to sell the property.



Will a Reverse Mortgage Impact My Social Security, Medicare, or Pension Benefits?



POSSIBLY

A Reverse Mortgage has no bearing on Social Security or Medicare eligibility since the funds are considered loan proceeds and not income. When it comes to Medicaid and Supplemental Security Income (SSI) benefits, a Reverse Mortgage may have an effect because those are based on your current financial assets.



Rate does not provide legal, investment, accounting, or tax advice, please consult a licensed attorney, financial planner, CPA or tax professional on these 'tips' and any information or opinions contained herein.

What Happens to the Loan After I Pass Away?



When a Reverse Mortgage is repaid, the amount due is the total of the monies that have been advanced to or for the borrower (including paying off existing mortgages, the sum of all cash disbursements to the borrower, and the up-front fees associated with the mortgage PLUS deferred and accumulated interest).

After the estate satisfies all obligations, all remaining equity goes to the heirs. But, since a Reverse Mortgage is non-recourse, no debt over and above the value of the property can ever be passed on to the borrower's heirs.

