

THE REVERSE MORTGAGE LOAN PROCESS

The reverse mortgage loan process is similar to receiving any other mortgage, typically taking **30-60 days** to complete.

Here's a brief overview of what steps to expect after contacting a licensed loan officer.

1. Counseling

Anyone who wishes to receive a reverse mortgage loan must meet with a **HUD-approved counselor**. This unique consumer protection ensures borrowers understand the loan's requirements and have a chance to discuss questions with an independent third party so they can make an informed financial decision.

2. Application

At a minimum, applicants will need to submit certain verifiable information required for a credit decision, such as borrower name, monthly income, social security number, property address, estimated property value, and the mortgage loan amount sought. The lender will run a home title check and more documentation may be required to ensure the loan's eligibility requirements can be met.

3. Home Appraisal

Appraisals help determine how much an applicant can borrow with a reverse mortgage loan, along with the age of the youngest borrower and the interest rate. An **independent, third-party appraiser** will walk through the home on behalf of the lender to determine if it meets minimum property standards for a reverse mortgage.

4. Underwriting

An underwriter reviews the submitted paperwork to determine if a loan is approved, approved with conditions, or denied for a particular reason. If a loan is approved with conditions, additional documents and/or steps may be required to close the reverse mortgage.

5. Closing

Borrowers meet with a **notary** to officially sign the reverse mortgage documentation, usually at the borrower's home. During this final review, the borrower and notary confirm the paperwork matches the terms previously discussed with the lender, including the loan amount, fees, interest rate, and the disbursement of loan proceeds.

RIGHT OF RECISSION

After closing, the borrower has the right to change their mind and withdraw from the reverse mortgage loan for three business days from the closing date.

6. Receive Funds

Once the borrower's signed closing documents are received and any conditions are met, **the lender distributes loan proceeds three days after closing** by wiring the funds to the closing attorney or title company. On the fourth business day, any current mortgages/property liens are paid off using loan proceeds and, if the borrower chooses, a percentage of the remaining funds can be disbursed.



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Loan Requirements

- Must meet all loan obligations, including using the property as your primary residence
- Must pay property charges including property taxes, fees, and hazard insurance
- Must maintain the home
- These requirements must be met or the loan will need to be repaid

