

# Get Comfortable with a Reverse Mortgage



## Features and Safeguards for Your Peace of Mind



### **More than 95% of reverse mortgages are Home Equity Conversion Mortgage (HECM) loans, which are insured by the U.S. government.**

This useful loan option is designed to help homeowners and homebuyers age 62 and older convert some of their home equity into cash—so they can live more comfortably, with greater financial independence. Built into this financial tool are several important features and safeguards, for your security and peace of mind, including:

### **No Monthly Mortgage Payments**

A reverse mortgage does not have to be repaid until you sell or no longer live in your home.\* As the homeowner, you must remain current with hazard insurance and property tax payments, and maintain the condition of the home.

**More information on reverse »**

## No Surprise Costs

During the application process, you'll receive a clear and detailed breakdown of all fees and closing costs, including the total loan costs over the projected life of the loan.

## Asset Protection

After the loan is repaid, any remaining equity belongs to you or your heirs. Also, the HECM reverse mortgage is insured by the FHA, making it a "non-recourse" loan. This means that you can never owe more than the value of your home at the time you or your heirs sell your home to repay your reverse mortgage.

## Limitation On Fees

Origination fees are regulated by the U.S. Department of Housing and Urban Development (HUD), and cannot exceed HUD limits. In addition, origination fees and closing costs may be financed as part of the reverse mortgage, so out-of-pocket expenses can be minimal.

## Independent Counseling

To ensure that you understand all aspects of a reverse mortgage, you're required to have a counseling session with an independent counselor who's approved by the U.S. Department of Housing and Urban Development (HUD). It usually takes about 60 to 90 minutes and can be done in-person or over the phone. (Some states require face-to-face counseling.)

## No Prepayment Penalty

Although a HECM loan is not due until the borrower permanently vacates the home, it can be paid off at any time, with no additional fees.

## The Right Choice

A reverse mortgage may help you plan for a more comfortable retirement, lived with greater financial independence. We encourage you to involve family members in your decision process—so you can make the choice that's right for you.

\* If the borrower does not meet loan obligations such as taxes and insurance, and maintain the condition of the home, then the loan will need to be repaid.

**To learn more about the benefits of a reverse mortgage—and how it may help you secure long-term financial independence, please contact me:**

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