



What is a Reverse Mortgage?

A Reverse Mortgage is a HUD-regulated, FHA-insured program designed to allow those 62 and over to stay in their home.

Official name: Home Equity Conversion Mortgage or HECM

Basic Requirements

- ◆ Minimum age: 62
- ◆ Primary residence
- ◆ Sufficient equity to pay off any existing liens
- ◆ Pay property taxes and homeowners' insurance (+HOA if applicable)

Most Important Facts

- 1) NO monthly mortgage payments required!
- 2) Income and credit scores are not factors
- 3) All fees may be financed
- 4) Proceeds are not considered income
- 5) **It is a non-recourse loan**
 - If home sales proceeds are insufficient to pay the loan balance, FHA pays the shortfall

DON'T

- ◆ Get deeper into debt
- ◆ Risk foreclosure
- ◆ Wait for home values to go back up
- ◆ Expect program or rates to stay the same

DO

- ◆ Pay off the mortgage
- ◆ Preserve other retirement assets
- ◆ Consider giving to your heirs now
- ◆ Enrich your retirement!

718,667 loans insured by FHA since inception in 1989

BUY a Home with a Reverse Mortgage

Down payment + loan proceeds = No mortgage payments
Great if downsizing or moving to single-level home

FHA Lending Limit for 2012: \$625,500

"Saver" Program

Ideal for those with little or no mortgage
Very low fees - Max. Mortgage Insurance Premium \$63 vs. \$12,510



My Only Business Is Reverse Mortgages

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Must use home as primary residence and borrowers must be at least 62 years old. Loan amount based on equity in the home. Payout available in lump sum or in regular scheduled payments. Proceeds are not considered income and will not affect Social Security or Medicare Benefits Borrower must remain in the home as their principal dwelling. No need to repay the loan as long as you continue to live in the house and maintain the property to FHA standards. Homeowners are responsible to pay and keep all annual taxes and insurance current for the life of the loan. Reverse mortgage borrowers are required to obtain an eligibility certificate by receiving counseling sessions with a HUD-approved counselor. Call for more info and for help locating a counselor.