

THE REVERSE MORTGAGE GUIDE



GET MORE CASH, SECURITY, AND PEACE OF MIND
WITHOUT MAKING A SINGLE MORTGAGE PAYMENT.*

R REVERSE
MORTGAGE
Group

* Failure to pay taxes, insurance, and maintain the property could result in foreclosure.



Baby boomers demand more out of their retirement than ever.

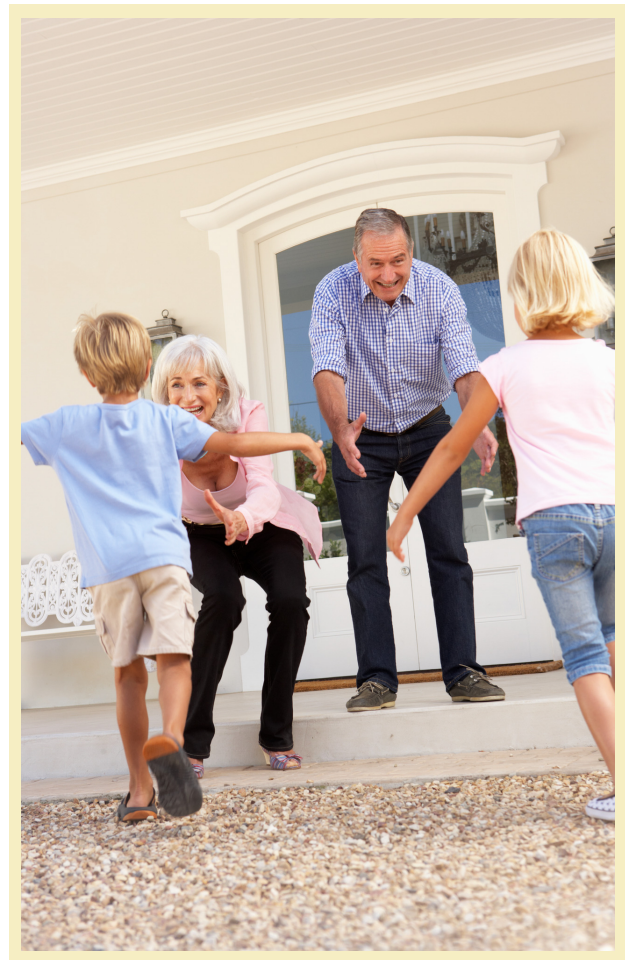
They're living longer, leading more active and healthy lifestyles, and eventually require greater care. For most people, their savings, Social Security, IRAs, and pensions are just not enough to fund their "golden years." Retirement is simply not what it used to be. However, for many people, there is an investment they've been paying into for years. It's their home's equity, and it can be accessed through a reverse mortgage loan.

**Designed for your
generation.**



What is a HECM reverse mortgage loan?

Home Equity Conversion Mortgages (HECMs) are also known as reverse mortgage loans. They were created almost 25 years ago to help senior Americans convert a portion of their home equity into cash or allow them to eliminate their monthly mortgage payment.* Loan proceeds are not taxable income, so most other benefits are not affected. HECM reverse mortgages are insured by the Federal Housing Administration (FHA) and allow seniors to age in place and achieve retirement security.



** Failure to pay taxes, insurance, and maintain the property could result in foreclosure.*

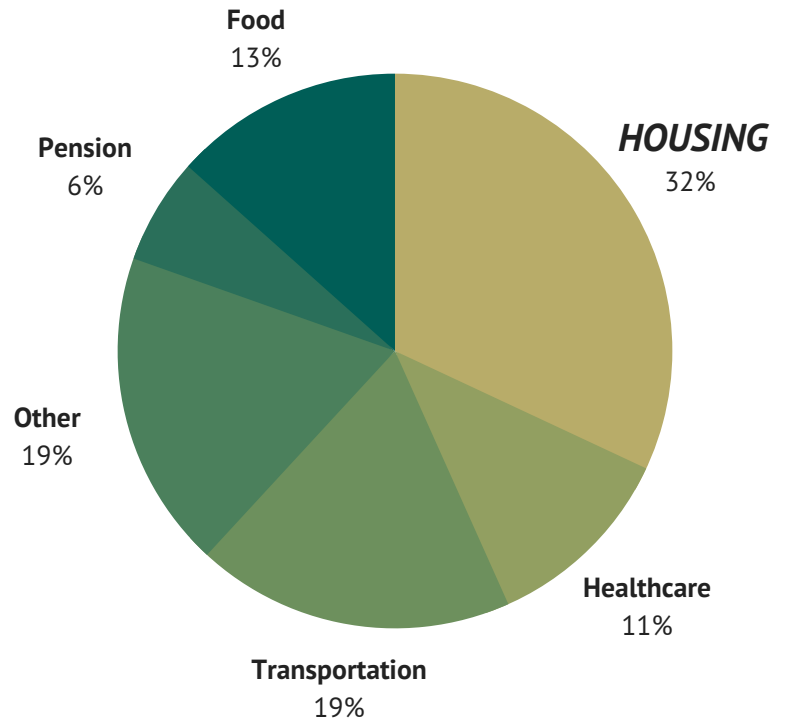


How does it work and what are some of the risks?

With a reverse mortgage loan, you do not make monthly principal or interest payments on the loan. Instead, the loan balance is paid with minimal monthly deductions of the home's equity. And it's repaid in full when the home is sold, refinanced, or the last borrower (or eligible non-borrowing spouse) leaves the home.

Borrowers are responsible for paying taxes, homeowners insurance, HOA dues (if any), maintaining the property, and complying with all loan terms. But they are **not** required to make a single mortgage payment.

You could eliminate 32% of your monthly expenses with a reverse mortgage.



*Bureau of Labor and Statistics
consumer-expenditure survey, Report 1046, March 2014*



Why a reverse mortgage loan?



Reason #1

Pay off your existing mortgage (required as part of the loan) and eliminate monthly mortgage payments.*



Reason #2

Make your retirement savings last longer.



Reason #3

Use a growing line of credit as a safety net for unplanned emergencies, home repairs and healthcare expenses.



Reason #4

Supplement your retirement income with monthly payments.**



Reason #5

Use a HECM for Purchase loan to buy a home that better fits your needs.



Reason #6

Support aging-in-place expenses, like caregiving and home modifications.

* Failure to pay taxes, insurance, and maintain the property could result in foreclosure.

** Available with tenure-based or modified tenure plans.

Top 5 Advantages of HECM reverse mortgages:

- No monthly mortgage payments*
- Tax-free loan proceeds
- Keep your home*
- Federally-insured
- Delay your Social Security benefits



In a little over a month, we had our mortgage payments eliminated and almost \$200,000 in hand to make some improvements to our home, take a vacation we've always dreamed about, and help our grandkids a little. It is such a relief to no longer have a mortgage payment.

- Julia Weins



How can you qualify?

Unlike a forward mortgage, where credit scores and income determine if you qualify for the loan, there are only three primary qualifications for a reverse mortgage.

- ✓ The borrower must be 62 years or older (a non-borrowing spouse may be younger).
- ✓ The home must be the borrower's primary residence.
- ✓ The borrower must be able to pay property taxes, homeowners insurance, and maintain the property.

* Failure to pay taxes, insurance, and maintain the property could result in foreclosure.

In 2013, the US Department of Housing and Urban Development (HUD) implemented strict guidelines and safeguards to protect reverse mortgage borrowers. These protections ensure that lenders abide by strict fiduciary standards and that you and your family have a thorough understanding of how a reverse mortgage loan works.



Consumer Safeguards

A few of the ways that HUD and the Reverse Mortgage Group look out for you:

#1 NO PREPAYMENT PENALTY

You can choose to repay the loan at any time without incurring any additional costs.

#2 NON-RECOURSE LOAN

HECMs are non-recourse loans, which means the lender cannot collect more than the value of the home.

#3 COUNSELING

All reverse mortgage applicants are required to complete independent, third-party counseling. This ensures that you understand your options, the process, and the financial implications associated with a reverse mortgage loan.

#4 SAFER

HUD established limits on the amount of money you can borrow during the first year of your loan. This is to ensure that your home equity proceeds last longer.

#5 HUD FEE LIMITATIONS

HECM origination fees are regulated by HUD. So, unlike the reverse mortgage loans of the past, you cannot be overcharged by the lender to establish the loan.

#6 GREAT RETIREMENT SECURITY

More and more financial advisors are including reverse mortgage loans as part of their clients' long-term retirement planning. The power of a growing line of credit can help your other investments stretch further.



4 Common Questions

Does the bank take ownership of my home?

No, reverse mortgage borrowers retain ownership, and the loan is secured by a lien on the home. You do not relinquish title or ownership, but simply borrow against the value of your home. You will not lose your home under normal circumstances as long as you comply with loan terms including paying your property taxes, insurance, and maintaining the property.

What happens if the loan balance exceeds the value of the home?

Reverse mortgages are non-recourse loans. This means that if somehow the loan balance ends up surpassing the value of the home, the lender cannot force you to sell. And they cannot collect more than the value of the home. If this were to happen, the difference between the loan balance and the home value would be covered by the Federal Housing Administration's (FHA) insurance fund.

Will a reverse mortgage loan affect my Social Security, Medicare or pension benefits?

No, these benefits are not impacted. Reverse mortgage loan funds are considered loan proceeds and not income. However, Medicaid and other asset-based benefits may possibly be affected. A reverse mortgage can help delay accessing Social Security in order to boost your lifetime retirement income. After all, the longer you wait to access Social Security benefits, the more you may receive.

What are the different ways I can receive my reverse mortgage funds?

Reverse mortgage loan funds can be dispersed in a number of ways: full or partial lump sum, as a line of credit, through monthly payments, or a combination of any of these.**

*** Available with tenure-based or modified tenure plans.*

The Reverse Mortgage Loan Process Checklist:

At the Reverse Mortgage Group, we educate, advise and guide you through the entire process. We listen to your goals, evaluate your current financial situation, and answer your questions every step of the way.

Call Us Today

The best way to determine if a reverse mortgage suits your specific situation is to call one of our licensed reverse mortgage professionals. They will walk you through a free, no-obligation financial analysis to help you determine if you qualify for a reverse mortgage loan and the amount of money you would receive.

Informational Counseling

In order to safeguard your interests, HUD requires all reverse mortgage loan applicants to undergo reverse mortgage counseling. An independent, third-party expert will educate, advise and answer your questions.



Every call and every visit to the office was always greeted with a warm smile. And throughout the whole process, they kept me informed every step of the way. I really felt like I had a true advocate working by my side the whole time

- Kathryn Bye



Application & Documentation

After you have finished your counseling, we will send you an application that is already completed based upon your unique situation and goals. We will also include a short list of documents needed for underwriting. All you need to do is sign the (non-binding) application and return it with your supporting documents.

Processing & Appraisal

While we await your documents, we will schedule an appraisal to determine the value of your property. This is a requirement for every mortgage application. The appraisal will be added to your application and submitted for underwriting review.

Approval & Closing

Once your loan is approved, a closing agent will contact you to sign the final documents and discuss any funding questions you might have.



Did you know you can buy a home with a reverse mortgage loan?

A HECM for Purchase loan combines a reverse mortgage with the equity from the sale of your previous home (or from other savings and assets) to buy your next primary residence in a single transaction. Regardless of how long you live in the home or what happens to your home's value, you only need to make one down payment towards the purchase.

You can lower your cost of living during retirement because there are no monthly mortgage payments.* You can downsize to a home with lower maintenance costs. You can even buy a home better suited to any changing physical needs or to be closer to family and friends.

All you need to do is pay your property taxes, insurance, HOA dues (if applicable), and maintain the property. It's true – you can buy a home and never pay another mortgage payment.

*It's not magic.
It's just a reverse mortgage.*

* Failure to pay taxes, insurance, and maintain the property could result in foreclosure.



REVERSE MORTGAGE GROUP PRE-CONSULTATION CHECKLIST

#1 Direct Information

Borrower's First Name	Borrower's Last Name	Date of Birth	
_____	_____	_____	
Spouse's First Name	Spouse's Last Name	Date of Birth	
_____	_____	_____	
Home Address	City	State	Zip
_____	_____	_____	_____

#2 Contact Information

Phone Number	Email	Best Time To Call
_____	_____	_____

#3 Home Details

Your estimated home value \$ _____

What is Your Estimated Mortgage Balance \$ _____

Why are you considering a reverse mortgage?

- | | | |
|------------------------------------|---------------------------------------------|--------------------------------------------|
| <input type="checkbox"/> Cash out | <input type="checkbox"/> Eliminate mortgage | <input type="checkbox"/> Investment |
| <input type="checkbox"/> Home care | <input type="checkbox"/> Pay off debt | <input type="checkbox"/> Home improvements |

**Remember, it's easy. It's safe.
And it could be the perfect solution for you.**



ReverseMortgageGroup.org
805-738-8326

A reverse mortgage increases the principal mortgage loan amount and decreases home equity. It is a negative-amortization loan.

Borrowers are responsible for paying property taxes and homeowner's insurance. We do not establish an escrow account for disbursements of these payments. A set-aside account can be set up to pay taxes and insurance and may be required in some cases. Borrowers must occupy the home as their primary residence, and pay for ongoing maintenance; otherwise, the loan becomes due and payable. The loan also becomes due and payable when the last borrower, or eligible non-borrowing surviving spouse, dies, sells the home, permanently moves out, defaults on taxes or insurance payments, or does not otherwise comply with the loan terms. These materials are not from HUD or FHA and were not approved by HUD or a government agency.

A division of The Underwood Group
BRE # 01396133 | NMLS # 344822