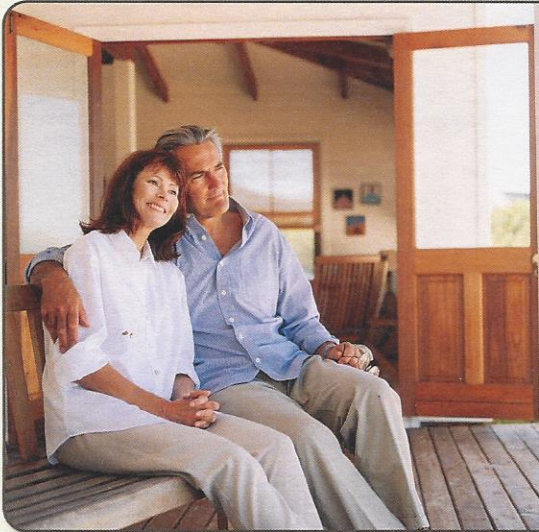


# Reverse Mortgages

## “Where Experience Counts”

Should the first person introducing a reverse mortgage to you be some celebrity spokesperson?

OR A SEASONED **LOCAL** REVERSE MORTGAGE SPECIALIST

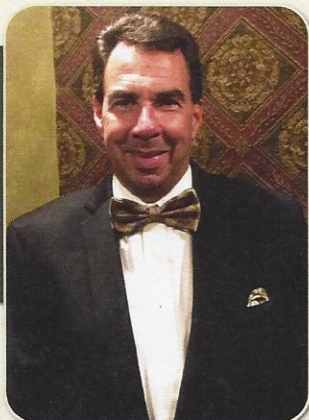


### What Can A Reverse Mortgage Do For You?

Help With Everyday Expenses  
Address A Financial Emergency  
Help Enjoy A More Comfortable Retirement

#### When We Meet:

We Will Review Your Situation  
Confirm Your Eligibility  
You Will Decide If a Reverse Mortgage Is The Right Plan For You



**Michael J. Friedman**

*Sole Proprietor/Owner*

215-901-6521

[seniors@reversingpamortgage.com](mailto:seniors@reversingpamortgage.com)

Available 24/7 | NMLS# 131880

**Reversing PA Mortgage, LLC.**

P.O. Box 725, Fort Washington, PA 19034

NMLS# 1396947

**Purchase  
or  
Refinance?**

**Licensed In Pennsylvania & Florida**  
[www.reversingpamortgage.com](http://www.reversingpamortgage.com)



## Top 7 Reverse Mortgage Questions

### 1. *If I get a reverse mortgage does the bank own my house?*

**Absolutely not.** With a reverse mortgage you will still own your home. You must continue to live in the house as your primary residence and continue paying property taxes, making necessary home repairs and keeping home owner's insurance current.

### 2. *What are the costs involved?*

The costs to get started include an appraisal and counseling fees. Other costs of a reverse mortgage are similar to a traditional mortgage. These could include interest charges, origination fees, settlement and recording fees, mortgage and homeowners insurance. In most cases these can be paid with the loan proceeds. Remember, closing costs vary based on the type and size of the loan.

### 3. *Will my children be responsible for repayment of the reverse mortgage?*

**No.** A reverse mortgage is what is called a non-recourse loan. This means the borrower will not owe more than the home is worth at the time it is sold, and there is no recourse for any deficiency other than the home. Your heirs can sell the home and pay off the balance and any remaining equity can go to the heirs.

### 4. *How do I qualify for a reverse mortgage?*

You must be 62 years of age or older, you must own your own home, (primary residence) and you must agree to pay property taxes and insurance, and to ensure there is proper maintenance of your home. You will also be required to meet with an unbiased counselor (by phone or in person) before completing your reverse mortgage application. This is a federally mandated feature of the reverse mortgage process and is designed for your protection.

### 5. *Is it true I will have no monthly payments?*

**Yes.** There are no monthly principal and interest mortgage payments with a reverse mortgage. Your responsibility is to pay property taxes, and insurance, live in your home as your primary residence, and maintain the home in good condition.



### 6. *My house is not paid off yet, can I still get a reverse mortgage?*


**Absolutely.** If your home is not paid off, the proceeds from the reverse mortgage must first be used to pay off any existing mortgage. If you currently owe money on your home, your previous lender may agree to be repaid after the reverse mortgage is repaid. Otherwise, you can either pay off the old debt before you get a reverse mortgage or you can use the initial proceeds from the reverse mortgage to pay the debt.

### 7. *Is there only one kind of reverse mortgage?*

**No.** In fact, there are two types of reverse mortgages that can affect the cost of the loan, the total amount of the loan, and even how you're able to spend the money you receive.



## Using The Reverse Purchase Program - NO Monthly Mortgage Payment!

Purchase Price	Age Of Youngest Borrower 					
	62	65	70	75	80	83
\$150,000	\$81,253	\$78,553	\$73,453	\$67,753	\$61,303	\$57,553
\$200,000	\$107,803	\$104,203	\$97,403	\$88,303	\$81,203	\$76,203
\$250,000	\$134,353	\$129,853	\$121,353	\$111,853	\$101,103	\$94,853
\$300,000	\$160,903	\$155,503	\$145,303	\$133,903	\$121,003	\$113,503
\$350,000	\$187,453	\$181,153	\$169,253	\$155,953	\$140,903	\$132,153
\$400,000	\$214,003	\$206,803	\$193,203	\$178,003	\$162,303	\$150,803
\$450,000	\$240,553	\$232,453	\$217,153	\$200,053	\$180,703	\$169,453
\$500,000	\$267,103	\$258,103	\$241,103	\$222,103	\$200,603	\$188,103
\$600,000	\$320,203	\$309,403	\$289,003	\$266,203	\$240,403	\$225,403
Down Payment						

This calculation is based on youngest borrower age 70 using HECM Fixed Rate of 5.06% as of January 1, 2017. Figures include fha initial mortgage insurance premium at 2.5% of the max claim amount and all standard estimated closing costs including title, taxes, etc. for PA. Actual numbers may vary depending on zip code/counties. Other states will vary. Counseling fee and appraisal not included.

### Why Consider A Reverse Purchase Mortgage?

The reverse purchase financing can make it easier and more affordable for older adults to buy a home that better fits their lifestyle, without having to take on monthly mortgage payments. The reverse purchase program may help preserve your hard earned savings and improve cash flow. You will continue to own and maintain the title of your home for as long as the property remains your primary residence.

At age 62 and older many older adults wish not to carry a large monthly mortgage payment into their late 70's, 80's, 90's and now 100's.

As people age many unexpected expenses can arise such as medical bills, prescription drugs, home repairs and the need for long term care. Additionally, when a spouse passes, one of the SS checks goes away. When savings and retirement accounts run low and life insurance is no longer available, a reverse mortgage eliminates your monthly mortgage payment and increases monthly cash flow giving you a greater sense of financial security.

### Reasons Most People Use a Reverse Purchase Mortgage

1. Downsize to a smaller, lower maintenance home
2. Buy a home closer to family or friends
3. Lower their cost of living during retirement
4. Enjoy carefree living in a senior housing community
5. Purchase a single level, more accessible home\*
6. Buy or sell a condo
7. Purchase a more expensive home without incurring a monthly mortgage payment\*
8. Preserve their cash
9. Minimal credit scores, income requirements
10. Enjoy a more comfortable retirement

### **"REVERSE MORTGAGES MAKE A DIFFERENCE IN PEOPLES LIVES"**

**Property Eligibility - Single family home, FHA approved Condo or a Multi-family 1 to 4 unit, Some manufactured homes, Town house, Twin, PUD, new construction.**

**Reverse Purchase Jumbo Mortgage- Available up to \$2.25 million. Condominiums above \$500,000 appraisal value do not require FHA approval (call for details.)**

\*Homeowners continue to pay insurance and property taxes, live in and maintain home as their primary residence. At least one borrower must be 62 years or older. Occupancy within 60 days of the loan closing.



# REASONS MOST PEOPLE USE A REVERSE MORTGAGE

- 1) When a spouse passes, one of the Social Security checks goes away
- 2) When an IRA/401K/Pension stops paying out
- 3) **Low on savings**
- 4) Home repair
- 5) Unexpected med bills, LT Care & Prescriptions
- 6) Remain in home
- 7) Daily living expenses
- 8) Pay off debt
- 9) Funeral expenses
- 10) Behind on real estate taxes
- 11) Purchase of smaller home (downsize)
- 12) Travel
- 13) **Eliminate monthly mortgage payment**
- 14) Increase monthly cash flow
- 15) **Make sure surviving spouse is financially secure**



**Incorrect information about reverse mortgages is widespread. Newspaper, magazine, and television reports about reverse mortgages are often significantly inaccurate.**



## Why Use A Reverse Mortgage?

1. A reverse mortgage is the only financial tool available that allows homeowners to remain in the comfort of their home, gain access to a substantial amount of money, TAX FREE, and not have to endure the added stress of a monthly mortgage payment.
2. If a person would like to remain in their home and also use its built up wealth in order to enjoy a fuller retirement life, a reverse mortgage can provide the funds with which to do so.
3. When one spouse dies and Social Security provides only one check instead of two each month, the cost of remaining in the home can be **unsurmountable**. A reverse mortgage can provide the funds to allow the remaining spouse to stay in the home comfortably.
4. If life insurance is no longer available, or is too expensive due to illness or age, a reverse mortgage line of credit will allow each spouse to know that, should one die before the other, the surviving spouse may be more financially secure.
5. One point often overlooked is that a reverse mortgage frees a child from the guilt of not being able to help their parents when they run short of money and cannot pay their property taxes, utilities, medical bills, home repairs, etc. It also frees the parents from feeling that they have become a burden to their children. A reverse mortgage allows families to keep their finances separate while at the same time allowing parents to live a fuller and more pleasant lifestyle.

## Have A Plan In Place - Be Ready!

Have Money - Enjoy Life - Less Stress

**"As we all tend to live longer, we also tend to run out of money."**

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**[www.reversingpamortgage.com](http://www.reversingpamortgage.com)**



This material is not from HUD or FHA and has not been approved by HUD or a government agency



**"Reverse Mortgages Make a Difference in People's Lives"**

8,000 people turn 65 every day and this number is growing. 90% of those seniors, if given the choice, would prefer to stay at home in comfortable, familiar surroundings as they age. The cost of an assisted living facility is about \$36,000-\$45,000 per year. Having care provided at home averages \$18,000-\$22,000 per year.

1. Today more seniors /older adults have a difficult time meeting the Fannie Mae guidelines, income qualifications, in order to qualify for a bank loan/mortgage.
2. There are no monthly principal and interest mortgage payments with a reverse mortgage. Your responsibility is to pay property taxes, and insurance, live in your home as your primary residence, and maintain the home in good condition.
3. Avoid those unexpected expenses/rising costs. (Home healthcare, prescription drugs, nursing, etc.) **Life insurance over?**
4. The Reverse purchase program allows seniors / older adults to purchase a more expensive home without incurring a monthly mortgage payment. JUMBO loan amounts available up to \$2.25 million. Minimum credit score and minimum income requirements. ( **Hold onto your cash** )
5. BONUS- unlike stocks, real estate, and other appreciating investments, when you do finally tap into your reverse mortgage to access funds, you **DO NOT** pay income tax or capital gains on your upside. WHY? Because a reverse mortgage is not an investment. There is no line item on your federal income tax form. (Monies are tax free )
6. Home value growth is not guaranteed. Home ownership after 2008 is different than times in the past.
7. AARP- 87% of people want to remain in the comfort of their home.
8. You can use the money from a reverse mortgage **to avoid removing the principal from your existing investments.**
9. Do not get caught up in TV advertising or big banks. They will have you believe you are getting the best possible deal. You are paying for their marketing/spokesperson costs. This is where mistakes happen. **WORK WITH SOMEONE LOCAL WHO SPECIALIZES IN REVERSE MORTGAGES ONLY. REQUEST A FACE TO FACE MEETING.**
10. Do what's best for you! ----- **Don't wait for a crisis, prepare now, and be ready! Have a plan in place!**

**REVERSE MORTGAGE SUITABILITY TEST:**

**A. How likely are you to need more income or savings in retirement, either now or sometime in the future?**

**B. Is it important to you to remain financially independent and not rely on others for support?**

**C. How long do you plan to live in your current home?**

**D. Would you be willing to use some of your home equity to improve your quality of life?**

**E. Is it more important for you to leave as much as possible for your heirs or have more money to use now?**



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**ADDRESS A FINANCIAL EMERGENCY!**