

Reversing Minds on **REVERSE** Mortgages

By Larry Hayes

No mortgage was more vilified and shunned in the past than a reverse mortgage.

Times are changing thanks to new federal regulations making reverse mortgages safer for people who need extra money to remain in their homes.

New rules require a financial assessment of the borrower including income and the ability to pay ongoing costs of homeownership (property taxes, insurance and general upkeep).

“I’ve changed my mind about reverse mortgages,” said Jane Bryant Quinn, author of *“How To Make Your Money Last.”* “I used to see more risk than reward for most borrowers. But the risk has diminished due to new federal regulations.”



In general, the older you are and the more equity you have in your home plus the less you owe on it, the more money you can get.

Before applying for a HECM, you must meet with a counselor from an independent government approved housing counseling agency. Some lenders offering proprietary reverse mortgages also require counseling.

Editor’s Note: Reverse mortgages are complicated and not for everyone but can be a lifesaver for those who need extra cash to live more comfortably in their home. To learn more, contact reverse mortgage specialist Bill Benson at 408.378.6603.

Useful Facts

- A reverse mortgage is a loan against the equity you hold in your home
- You don’t have to repay as long as you live in the house
- Getting a reserve mortgage line of credit guarantees funds when you need it
- You are required to go through reverse mortgage counseling by phone or face to face
- The most popular reverse mortgage loan is a Home Equity Conversion Mortgages (HECMs). These are federally insured reverse mortgages backed by the U.S Department of Housing and Urban Development (HUD). HECM loans can be used for any purpose.

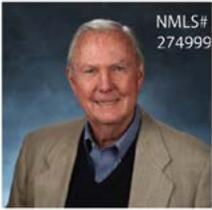
How Much You Can Borrow Depends Upon:

- Your age—62+
- Type of reverse mortgage you select
- Appraised value of your home
- Current interest rates and your financial assessment

COULD YOU USE EXTRA cash for your retirement?

If you’re age 62 or older, own your home and live in it as your primary residence, a reverse mortgage loan can help you convert your home equity into cash! Reverse mortgage loan proceeds are tax free¹ and can be used to:

- ▶ Pay off your existing mortgage², medical expenses or other bills
- ▶ Supplement monthly retirement income
- ▶ Afford aging in place expenses, including in-home care and home modifications
- ▶ Preserve investment accounts by using a growing line of credit



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Find out how a reverse mortgage can help you!



NMLS 549302

¹Like all mortgage proceeds, the loan proceeds from a reverse mortgage loan are typically tax free. Please consult your tax advisor. ²Required as part of loan. For full legal disclosure, please visit www.AAG.com/Disclosure