

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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* Consult a tax professional. This material is not from HUD or FHA and has not been approved by HUD or a government agency.
** The borrower must meet all loan obligations, including living in the property as the principal residence, paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home.

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



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Purchase
or
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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 60/62 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.

Reverse Purchase Mortgage



Turning old equity into a new home

The reverse purchase program can make it easier and more affordable for older adults to buy a home that better fits their life style, without having to take on monthly mortgage payments. The reverse purchase program may help preserve your hard earned savings and improve your monthly 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 60/62 and older many older adults wish not to carry a large monthly mortgage payment into their late 60's, 70's 80's 90's and now the new 100's. 😊

A reverse purchase can help borrowers buy the right place and have **no monthly mortgage payment**. Under most circumstances, a borrower can expect to put down about half the amount of the sale price and the reverse mortgage will cover the rest (**hold on to your cash**).

Have You Thought About Down-Sizing/Up-Sizing?

Retirement is expensive. Preserve your portfolio and retire better

EXAMPLE

Bob and Judy sold their home in Pennsylvania and want to purchase their dream retirement home without a monthly mortgage payment, but they also don't want to spend all their cash.

How can they accomplish both?

A REVERSE Purchase!

COST of New Home	\$400,000
BUYER CONTRIBUTION	52%
Reverse Proceeds	48%

CASH SAVED \$192,000

Bob and Judy now live in their new home with **NO monthly mortgage payments** and have increased their monthly cash flow, giving them a greater sense of financial security.

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