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Your Keys to a Better Financial Future

Unlocking the Equity in Your Home with a Reverse Mortgage

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Unlocking the Equity in Your Own Home

Many older Americans have worked long and hard through many decades to build equity, or value, in their homes. But often that equity remains "buried" in those homes, unused, until the home is sold, either by the owners or their heirs.

Enter Home Equity Conversion Mortgages, also known as reverse mortgages, which allow seniors to convert part of their home's equity into tax-free money*. With a reverse mortgage, people are free to use their hard-earned equity however they need. Moreover, they don't have to pay back their loan as long as they continue to live in their home.

Welcome to the world of reverse mortgages. On the following pages you'll learn how reverse mortgages work, how much money you may qualify to receive, along with answers to common questions and myths. You'll also read stories of how people in various situations put a reverse mortgage to work for them.

* Not tax advice. Please consult a tax professional.

Understanding Reverse Mortgages

A reverse mortgage allows you to turn part of your home's equity into tax-free money with no mandatory mortgage payments. In short, it's a loan against your homes equity that you don't have to pay back as long as you live there.

Reverse mortgages have experienced steady improvements since they were introduced 50+ years ago. In the late 1980s, the U.S. government began regulating and insuring Home Equity Conversion Mortgages. As consumer demand has evolved, so have federal guidelines to protect the rights and interests of seniors who want or need to tap the equity in their homes.

Reverse mortgages have many benefits:

- You still own your home
- You can live in your home as long as you wish
- Your proceeds are tax-free
- You can use your proceeds for whatever you wish
- There's no required monthly mortgage payment
- You can never owe more than your home's value, regardless of your loan's balance

Here's how they work

Like a conventional mortgage, everyone who applies for a reverse mortgage must meet eligibility requirements (see below). You will also need to attend a third-party counseling session to ensure you understand the process.

Once eligible, you'll select the loan type and payment options that best meet your needs (lump sum, line of credit, monthly payments, etc.). An eReverse mortgage expert is here to walk you through your options and help you make the right decisions.

Then simply enjoy the equity from your home.

Are you eligible for a reverse mortgage?

One borrower listed on the title must be at least 62 years of age. You must own the home and it must be your primary residence. Similar to a conventional mortgage, borrowers must meet basic credit and income requirements.

Your loan obligations

Like a conventional mortgage, you will still be required to pay property taxes, homeowners insurance and regular home maintenance. In addition, you will need to occupy the home.

Putting seniors first

While reverse mortgages have been around for years, several recent federal requirements put your interests first:

- A **financial assessment** means borrowers won't get in over their heads because they have the ability to meet their loan obligations.
- Eligible, **non-borrowing spouses** will be able to stay in the home after the death of their borrowing spouse as long as they continue to comply with basic loan terms.
- **Mortgage Insurance Premiums (MIPs)** are now lower, as long as borrowers don't take more than 60% of their proceeds in the first year.

Common Myths and Questions

Today's reverse mortgages were created by the U.S. Congress nearly 30 years ago. Over time, their requirements, options and safeguards have significantly evolved. So it's only natural that there are common misconceptions and questions.

FACT: You still own your home.

The title stays in your name for as long as you or your spouse remain in the home.

FACT: Your loan does not impact your earned retirement benefits.

Your reverse mortgage does not affect Social Security, Medicare or other pension benefits in any way. However, it may affect some government assistance programs, such as Medicaid.*

FACT: You'll never end up owing more than your house is worth.

All of the reverse mortgage programs we offer are Home Equity Conversion Mortgages, which are insured by the U.S. government When your loan comes due, if there is not enough money from the sale of your home to repay your loan in full, Federal Housing Administration (FHA) insurance will pay the difference, not you or your heirs.

QUESTION: **How will my loan impact my heirs and their inheritance?**

ANSWER: Often, heirs are relieved that their loved ones are benefiting from the equity in their homes and able to meet their financial needs, eliminate debt, etc. When your loan comes due, your heirs may sell your home and keep any proceeds above the cost of the loan. Or, they may refinance and keep the property.

QUESTION: **Is my home eligible for a reverse mortgage? What if I still have a mortgage?**

ANSWER: Your home must be your primary residence. It's okay to have a mortgage balance, or you may own your home free and clear. Most people who opt for a reverse mortgage have single-family homes but others are eligible, too. To see if your home is eligible, please call and talk to an eReverse expert at 1-800-631-3378.

* You should consult with a qualified financial advisor to learn how a reverse mortgage could impact eligibility for needs based assistance programs such as Medicaid and SSI.

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How Much Can I Borrow?

There are three primary factors that will affect how much you can borrow.

1

Your home's value and equity

The higher your appraised home value is and the more of it you own outright, the more funds you may be able to borrow.

2

Current interest rates

Higher amounts may be available when interest rates are low.

3

Your age

The age of the younger homeowner helps determine the amount you may borrow. The older the borrower(s), the more funds may be available.

Once we determine the maximum amount you're eligible for, you may choose to receive your proceeds in one of these ways:

- **A line of credit**
- **A lump sum**
- **Monthly payments**

Find Out How Much You Could Qualify For.
Speak with a Reverse Mortgage Expert Now.
855-631-3378

We Boosted Our Retirement Income

Chuck and Ruth purchased their Lawrenceville, Georgia, home 32 years ago when their kids were young. Fortunately, it's valued at $250,000 and paid off.

However, Chuck needs a little extra assistance to continue living at home. But their retirement income doesn't quite offer the cash flow necessary for in-home help, which costs them about $800 a month.

> "We receive **$845** every month."

After speaking with an eReverse loan expert, they learn they're eligible for a $145,000 loan, which they decide to take in monthly payments of $845. Now they can easily afford Chuck's in-home care. Plus, the kids and grandkids now come to visit instead of help.

* Stories are hypothetical and for illustrative purposes only. Each client's situation is different, so please contact your reverse mortgage expert.

We Improved Our Cash Flow

Gary and Helen of Mesa, Arizona, have a home valued at $425,000 and have nearly half of it paid off. Gary spent 40 years in construction, while Helen was a nurse at a small, local hospital. Neither received a pension.

> “We're not saddled with a **$1,400** mortgage payment.”

In retirement, costs are higher than they had anticipated, so money is tight, especially with monthly mortgage payments.

Fortunately, they qualify for a $263,000 loan, and opt for a lump sum that discharges their remaining mortgage balance. “We're not saddled with a $1,400-a-month mortgage payment anymore,” Helen says. “Plus, we can now afford to replace our 25-year-old kitchen appliances.”

We're Protecting Our Nest Egg

Cliff and Tamara own a lovely home in Bloomfield Hills, Michigan, and were able to save well for their retirement. But a market downturn has them concerned about protecting their nest egg, especially over the long run.

Their Financial Advisor recommends they apply for a reverse mortgage line of credit and use it to supplement their income during market dips.

They qualify for a $203,000 credit line and draw $45,000 the first year to supplement their income rather than selling investments in a down market. Cliff elects to pay interest on the money they borrow. When the market improves or stabilizes, they have the option of paying down their loan balance as well.

> "Our credit line grows every year."

Since their reverse mortgage comes with a line of credit growth feature, their line grows every year, boosting both its balance and their borrowing power in the future. Growth rates have averaged 5% annually in the last few years, which is significantly higher than deposit rates.

We Waited for Full Social Security Benefits

Michael and Linda have lived in their Vista, California, home for 35 years. Michael had a very successful sales career, but finds himself needing to take an early retirement. Unfortunately, in the last few months they've been struggling to make ends meet on Linda's office manager salary.

"We'll collect **100%** of our benefits."

What's more, if Michael begins collecting Social Security benefits now at age 62, he will only receive 75% of his benefit. If they can hold on just four more years, he can collect full benefits.

Since the couple owns their home outright, they decide to activate some of their home's equity they've worked so hard to build over the years. A reverse mortgage boosts their income by $4,700 a month and gives them breathing room until Michael turns 66.

Information for Loved Ones and Family Members

Reverse mortgages provide benefits not only for your parent(s) or loved ones, but for you as well. With an increased cash flow, your family member may:

- Hire in-home care to remain independent, rather than moving into costly assisted living or relying on family members
- Eliminate their mortgage payment
- Cover medical or prescription costs
- Pay monthly bills or eliminate debt
- Renovate their home or complete necessary repairs
- Gain greater peace of mind in the face of uncertain financial markets

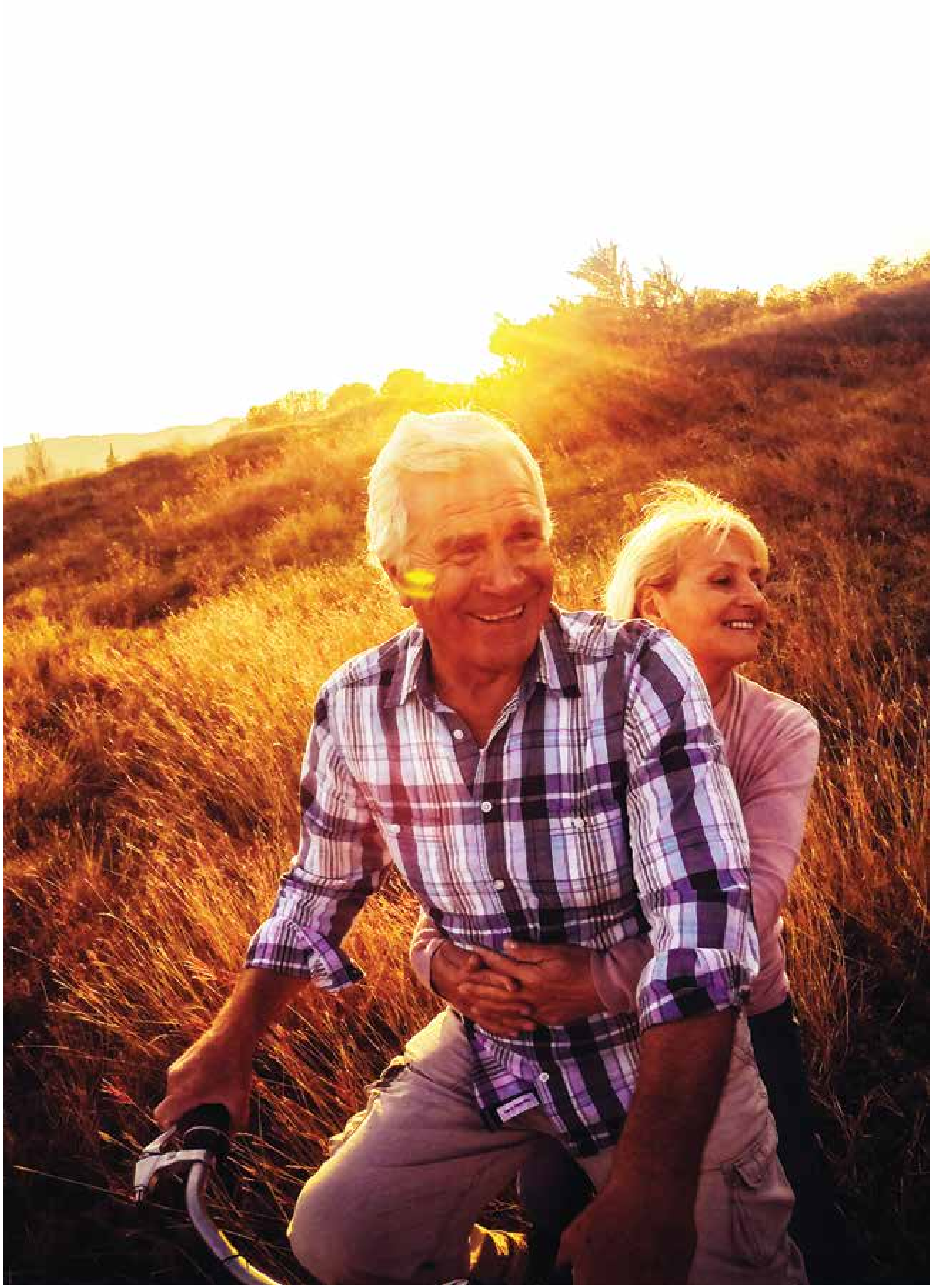
Best of all, your loved ones can stay in the comfort of their own home, benefiting from that home equity as long as they live.

Then, when family members leave the home permanently, you have several options:

- You can choose to keep the home by refinancing the loan and/or paying it off
- The home can be sold. And if the home sells for more than the cost of the loan, the estate's heirs will keep the difference

A reverse mortgage can help you by helping your family

In addition, if your family members' loan was larger than what the home sells for, FHA insurance covers the difference. Which means neither they or their heirs will ever owe more than the value of the home. And that's the best of both worlds.



We've Spent a Decade Serving People Like You

Want to know more about eReverse and what makes us worthy of your consideration? eReverse is a modern company comprised of licensed specialists dedicated to reverse mortgages. We are a division of InterContinental Capital Group (ICG), a direct-lending mortgage bank specializing in home financing.

Our team members have spent more than a decade serving the financial needs of thousands of Americans. These professionals have built our reputation on finding custom-fit home financing solutions that meet the individual needs of each of our clients.

Federal Housing Administration (FHA) approved mortgage lender

Member of the National Reverse Mortgage Lenders Association (NRMLA)

Rated A+ by the Better Business Bureau

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