



# A Guide To Reverse Mortgages



# What is a Reverse Mortgage?

A Home Equity Conversion Mortgage (HECM) is a program designed for seniors that is insured by the Federal Housing Authority (FHA). The program was created to assist with retirement planning and help people stay in the home they love. It is a secure and safe tool that allows you to turn the equity in your home into tax-free cash without ever having to make a mortgage payment again. This program provides you with security, freedom and financial independence to enjoy your retirement on your terms. A reverse mortgage can benefit you in many ways and may provide you the peace of mind you are looking for.

## Benefits

- Eliminate your monthly mortgage payments
- You can stay in your home and maintain the title
- Access to tax-free income payments for any purpose you desire
- Heirs inherit any remaining equity after paying off the HECM loan
- Plan ahead for emergencies
- Enhance quality of life
- A credit line that can grow over time

*"Last year I was afraid I would lose my house and had no idea what my future would hold. Today, I am much more relaxed and I have the peace of mind of knowing that I pay my bills with room to spare. I am able to enjoy retirement with the independence to do the things I want to do. I can't thank you enough for what you have done for me."*

*— Kevin B. (Indiana)*



Phone: (877) 856-8706

## Eligibility

- Youngest borrower must be 62 years of age
- You must own the home
- You must live in your home as your primary residence

## Responsibilities

- Complete a government approved counseling session
- Maintain your home
- Continue to pay property taxes and homeowners insurance

*"Getting a reverse mortgage was one of the best decisions I have ever made. My wife and I are able to enjoy life after many years of hard work. We really appreciated the experience with Reverse Mortgage Advisors of America and we found the process to be very efficient and easy to complete."*

*— Arnold P. (Florida)*



# Reverse Mortgage Options

## HECM Line of Credit

This option allows you to receive your desired amount of cash at closing and also to have ongoing access to additional money that can be received in a variety of ways. Options include receiving your money in monthly payments, a full draw on your line of credit at closing, accessing your line of credit when you need it or any combination of these choices. Another great benefit of this program is that your unused line of credit can grow over time.

## HECM Fixed

You can receive your cash in one lump sum and the low fixed rate remains the same throughout the life of the loan

## HECM for Purchase

Allows you to finance the purchase of a home with no monthly payments. This option gives you the chance to find a home that meets your needs or to move closer to family.

*"I want to thank you for helping me obtain a reverse mortgage. I can't explain the peace of mind of knowing the money is there when I need it. I was able to eliminate my mortgage payment and stay in the home I love."*

— Helen R. ( Louisiana)



# Easy 4 Step Process

1) **TALK WITH AN RMA REVERSE MORTGAGE PROFESSIONAL.** We will discuss your financial needs and goals. We will educate you about the various programs available and determine which option will best suit your needs

2) **COUNSELING AND APPLICATION.** In order to safeguard your interests, you are required to speak with a government approved third party counselor. We will provide you with a list of counselors in your area. Most clients find their session to be informative and helpful.

3) **PROCESSING.** RMA will then schedule an appraisal to determine the value of your property. After the appraisal is complete, your loan will be submitted to underwriting where all the documents are reviewed, finalized, and prepared for closing.

4) **CLOSING.** We will close the loan in the comfort of your home by coming to you with all of the documents to sign. Once your loan funds, you can receive your loan proceeds in any way you choose- a lump sum, monthly check, a line of credit, or any combination of these options.

"In talking with our RMA advisor, we found him to be extremely helpful. He answered all of our questions in such a professional and clear way. He was patient and listened to all of our concerns. I would definitely recommend RMA to family and friends. This is a great company to work with!"

— Miriam D. (California)



Phone: (877) 856-8706

# SAFEGUARDS

A HECM loan has built in safeguards to protect you and your home. Here are a few examples that are put in place for your benefit:

## **Independent Counseling**

The U.S. Department of Housing and Urban Development (HUD) requires that all reverse mortgage applicants participate in a third party counseling session. The HUD approved counselors provide you with objective information and help you understand the process.

## **Federal Housing Administration (FHA) Insured**

HECM loans are insured and backed by the federal government. You are always protected against lender insolvency and you are guaranteed receipt of your loan proceeds.

## **Non-Recourse loan**

You are government insured and protected so that you can never owe more than your house is worth at the time your loan is paid back. This protects both you and your heirs.

## **Fee Limitations**

The loan origination fee is regulated by the U.S. Department of Housing and Urban Development (HUD).

## **Capped interest rates**

If your loan has an adjustable rate, there is a limit to how much some interest rates can change during a specific period of time.



Phone: (877) 856-8706

# Frequently Asked Questions

## **Do I still own my home?**

**Yes.** You remain the owner of your home and can stay in it as long as you wish. You can never lose your home as long as you continue to meet the obligations of the loan such as living in the home as your primary residence, maintaining the home, and paying for property taxes and homeowners insurance

## **What if I already have a mortgage?**

**No problem.** In fact many borrowers use the HECM loan proceeds to pay off and eliminate monthly mortgage payments and then give you the remaining proceeds.

## **Will I have a tax liability for the reverse mortgage money?**

**No.** The money you receive is tax free and it is not considered income.

## **Are there any restrictions on what I can use the money for?**

**No.** The cash proceeds from your loan can be used for any reason. Many borrowers use the money to supplement retirement income, pay off debt, pay for medical expenses or remodel their home.

## **Will my children lose their inheritance?**

**No.** The loan is repaid once the borrower moves out of the home. Normally, the home is sold, the loan is paid off and the remaining equity goes to you or your heirs.

## **How much could I get?**

The amount you can get depends on your age, your home value, current interest rates and the location of your home.



Phone: (877) 856-8706

# About Us

**Reverse Mortgage Advisors of America** brings leadership with over 25 years of experience helping residential mortgage customers throughout the United States. We are accredited by the Better Business Bureau and also adhere to all Equal Housing Opportunity requirements.

We take great pride in helping each client reach their financial goals and objectives. This is accomplished by clearly defining each client's individual needs and matching them with the best product solutions available.

We take great interest in improving the lives of both our customers and employees. Our goal is to deliver complete customer satisfaction by offering a professional, fast, and reliable service.

We look forward to each opportunity to earn new relationships and show that integrity is the foundation of our success!



United Pacific Realty and Investment, Inc. DBA Reverse Mortgage Advisors of America. Company NMLS # 118004 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)). 111 Corporate Dr. #235, Ladera Ranch, CA. 92694. GA- Georgia Residential Mortgage License # 20364. VA- Lic. # MC-3546 by the Virginia State Corporate Commission. OR- Oregon License # ML-3435. Also licensed to conduct business in CA,WA,CO,IN,LA,MD,FL.

