



REVERSE MORTGAGE GUIDE

*The Essentials*

All Reverse Mortgage Company  
(888) 801-2762

# What's Enclosed

- ✓ What is a Reverse Mortgage?
- ✓ A Reverse Mortgage is a big decision but Is it the right decision for you?
- ✓ Frequently asked questions and common misconceptions.
- ✓ Who is All Reverse Mortgage Company and what will we do for you?
- ✓ What do experts say about Reverse Mortgages?

# A Reverse Mortgage is...

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## **Definitely not for everyone!**

It may surprise you to hear a reverse mortgage lender saying this but it is true. The loan is intended to be the last loan you will ever need and not a short term financial instrument.

Borrowers looking for a short term loan may be better suited for a different type of financing as reverse mortgages require mortgage insurance, origination fees and third-party fees that, while they can be financed and included in the loan, must be paid up-front making the loan impractical for a short term solution. However, for those borrowers who want to remain in their homes and need extra income or cash to do so, a reverse mortgage may be exactly what you need. There are a few questions to ask yourself which are:



# Ask Yourself...



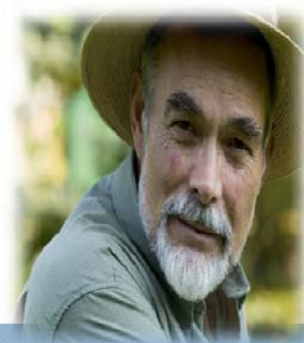
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- ❑ Do you find yourself short of funds before the end of every month?
- ❑ Have your retirement plans been put on hold or delayed due to the economy?
- ❑ Are medical expenses/needs demanding too much of your disposable cash?
- ❑ Would you like to be able to help family members with college or other expenses?
- ❑ Do you need additional cash or income to be able to enjoy your retirement for travel, leisure activities, or to just be more comfortable?
- ❑ Do you have a current mortgage payment which if were gone, would make a huge difference in your life and lifestyle?

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# The Good News



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If you are 62 and over, want to stay in your home and answered yes to any of these questions or if you find that you need additional cash for your own unique reasons, then a Reverse Mortgage may be the right answer for you and your family.

A Reverse Mortgage is designed to be the last loan you may ever need. It works opposite a traditional mortgage. Rather than making monthly payments to pay off a loan as is the case with a traditional or “forward” mortgage, with a reverse mortgage the equity in your home pays you. Since you make no monthly mortgage payments, there is no income or credit qualification required (you are still required to pay taxes, insurance and for the monthly maintenance on the home).

The loan is safe and is Government-Insured by the Federal Housing Administration (FHA), a division of the Department of Housing and Urban Development (HUD). This loan was signed into law as a Government-Insured product by Ronald Reagan in 1988 and since its inception, it has helped hundreds of thousands of homeowners safely access the equity in their homes to help them better enjoy their retirement years.

Reverse mortgages did not originate in 1988, there were previous versions but they were flawed and contained provisions which could hurt homeowners. Many of those earlier flaws linger as misconceptions about the current government product still today. But you can rest assured that the Home Equity Conversion Mortgage (HECM or “Heck-um”) insured by FHA is an excellent opportunity for borrowers to access the equity in their homes without the pitfalls of the previous programs.

Borrowers have a choice of how they can receive their money. After the current liens on the property are paid off, borrowers can choose a number of different ways to get their remaining available cash. You can choose to receive the funds all at once, in monthly installments, as a line of credit you can access as you choose, or a combination of any or all of the above. Regardless of how you choose to receive your money, you never have to make a monthly mortgage payment for as long as you live in your home.

# Is the Reverse Right for you?

*“I don’t think a Reverse Mortgage is for me, I planned for my retirement”!*



Does this sound like something you are thinking or have thought? Then you are not alone. We have had so many borrowers tell us that they thought they had planned adequately for their retirement and never thought they would need a reverse mortgage. Some even felt embarrassment or shame that the retirement plans they had so carefully made were coming unraveled.

It's not your fault that borrowers are living longer, healthier lives and are therefore more active today than at any time in the past. It's not your fault that the costs of living have risen above most pensions and that many pensions and savings have been adversely affected over the years by financial maladies in the stock markets and other investment vehicles.

**Tip:** Reverse Mortgages are a Tax-Free Release of your home equity. \*Talk to your trusted tax professional

# Continued...



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It's not your fault that the cost of living has risen much more quickly than the return on the funds that you set aside. John Lennon said "Life is what happens to you while you're busy making other plans". Well that is true with your retirement as well. Regardless of how well you thought you planned, life has a way of throwing you a curve ball and soon everything ends up getting in the way of those plans. Let the specialists at All Reverse Mortgage Company show you how a reverse mortgage just may help you get back on the right track toward a financially independent retirement.

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A reverse mortgage can help you **stay in your home** and since you can elect how you receive the money, you can choose to receive monthly payments to augment your income, you can receive a lump sum of cash to spend however you choose, or you can keep the money in a line of credit available to you at your request. Unlike Home Equity Lines of Credit offered by your local bank, the reverse mortgage cannot be closed or frozen if the bank decides your income or the property's value is not what the bank thinks it should be. Say goodbye to worries about the rising cost of food, gas or energy bills.

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# Continued...



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Many homeowners have utilized their reverse mortgage funds for a variety of needs such as medical and prescription assistance. Others have chosen to update their homes either to make them more accessible or more “senior-friendly”. Still others have determined that they wanted to use funds to travel or for other leisure activities. In these economic times, it is also not uncommon for homeowners to again look to see how they can help their families, including college tuition for grandchildren. Whatever your reasons might be, a reverse mortgage may be the tool that allows you to live the lifestyle you deserve and stay in your home when circumstances would otherwise require you to leave.

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Besides all the great things people can do with the proceeds of a reverse mortgage if their home is currently paid off, there is another category of senior borrower who also can benefit greatly from a reverse mortgage. That is the senior homeowner who still has a mortgage payment. It is another common misconception that your home must be owned free of current loans to get a reverse mortgage. A reverse mortgage can be used to pay off existing mortgage loans and other liens.

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# Continued...



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You can eliminate existing loans and more importantly the monthly payment that goes along with them with your reverse mortgage. Because a reverse mortgage does not require any income or credit qualification, you can even get a reverse mortgage if you are currently behind in your mortgage payments. In fact, we have gotten borrowers' loans paid off in some instances just days before they were scheduled to go to foreclosure sale!

The caring specialist who worked with one couple who had previously thought they were beyond help was able to get the entire mortgage processed in just 4 days and closed in 8 with the help of our lending partners! While we do not guarantee 8 day closings on all reverse transactions, isn't it nice to know that you are working with a company who was really able to perform when the chips were down?

Whether you are thinking about your retirement and how to be more comfortable or how to stay in the home you love, a reverse mortgage might just be the last loan you will ever need and we would welcome the opportunity to help you achieve financial security in your retirement years.

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# Reverse Mortgage FAQ

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There are many questions and it seems there are almost as many misconceptions about reverse mortgages. All Reverse Mortgage Company has the answers for you.

Here are some of the more common questions we have heard and their answers. If you have other questions, please feel free to give us a call: Toll Free (888) 801-2762



**Tip:** Reverse Mortgages do not affect public benefits such as social security or Medicare \*Talk to your trusted financial advisor

# Top FAQ's



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- **Q. How old do I have to be to get a reverse mortgage?**  
A. All borrowers must be a minimum of 62 years old as of the day of loan funding.
- **Q. Do I have to own my home Free and Clear?**  
A. No. The existing liens do have to be paid off at closing, but you can receive the difference or even bring in any required balance to close the loan if you wish to eliminate existing mortgage payments and your reverse mortgage is not high enough to pay off the existing liens.
- **Q. How much money can I get?**  
A. The program is based on a number of factors and a calculator is used to determine eligibility. You can visit the calculator on our website at [www.allrmc.com](http://www.allrmc.com) or a trained specialist can tell you exactly how much for which you and your property will qualify.

# FAQ's - continued



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□ **Q. What kind of properties are eligible?**

A. Single family residences including HUD approved Condos, PUD's, and manufactured homes meeting HUD guidelines, 2 – 4 owner occupied residences. Keep checking with us for additional HUD changes.

□ **Q. Does the bank own my home?**

A. No. You and your heirs always own your home just like any other loan.

□ **Q. When do we or our heirs have to pay the loan back?**

A. You can live in the home payment-free as long as you live in the home, pay your taxes and insurance, and maintain the home in a reasonable fashion. The loan becomes due and payable when the last remaining spouse no longer occupies the home or you sell your home.

# FAQ's - continued



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□ **Q. Is a reverse mortgage taxable income and will it affect my Social Security?**

A. We always suggest that you talk to your trusted financial and tax advisors but the funds you receive from your reverse mortgage are not taxable and do not affect your social security payments. However, you do need to be aware of certain “needs-based” programs such as Medicaid upon which available assets affect individual eligibility. Reverse Mortgages can still be obtained but must be structured correctly so as not to jeopardize benefits and it is important that your family/advisors are involved to ensure protection of other program benefits.

□ **Q. Can I/we hold title in a trust?**

A. Yes, as long as the trust meets HUD guidelines. If you have a trust, let your All Reverse Mortgage Company specialist know right away so we can have your trust reviewed and approved immediately so there are no surprises later. Most trusts do get approved as trust attorneys are aware of lending guidelines and follow them when crafting their clients' trusts, but occasionally we do run into those that do not meet HUD guidelines and most of those can be resolved quickly and easily with your, and your attorney's, cooperation.

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# Who is All Reverse Mortgage Company?

A dedicated team of professionals, passionate about the borrowers with whom we work.

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**Trusted & Highly Experienced Reverse Mortgage Lenders**

**Approved by HUD** (Housing and Urban Development)

**A+ Members of the BBB** (Better Business Bureau)

**Proud Members of NRMLA** (National Reverse Mortgage Lenders Association)

- The team of professionals at All Reverse Mortgage Company is dedicated to you and Reverse Mortgages. We are passionate about the product and the good it has done for the borrowers we serve. We believe in ones right to age in dignity and at home if that is their desire. When asked if we would ever advise one of our own relatives to get a reverse mortgage, we proudly state that we have helped several family members obtain their own reverse mortgages.
- Our processors hold the HUD “DE” designation, for Delegated Underwriter, due to their experience underwriting and insuring FHA forward and reverse loans, they know the product “backward and forward”. Our entire staff worked tirelessly with our customers to get approvals on housing projects previously thought un-approvable, to modify existing terms when needed and to close some loans in just days to avoid foreclosure sales.
- Because of the depth of our knowledge and experience, we have been able to do many loans previously denied by some of the biggest reverse mortgage lenders in the nation. There is only one HUD HECM program and all lenders are subject to the same HUD rules...so the specialists with the broadest experience and the greatest willingness to help their borrowers have the ability to get the most loans through in the quickest timeframe.
- Because of our dedication to this product and our belief in the rights of our borrowers to receive quick and honest answers to all your questions, we commit to the utmost in service levels while answering all your questions and maintaining constant and open communication. Furthermore, our commitment is to you and your reverse mortgage - we will never try to sell you any other financial products. Finally, we will never pressure you for a decision and our goal is to make certain that your ultimate decision is the one that is right for you!

# How do I get a Reverse Mortgage?

You already took the biggest step by contacting us and now we can begin the application process.

**Toll Free (888) 801-2762**



**Tip:** If you don't need all your funds now, instead of taking all your money in cash consider the "line of credit" feature and only accrue interest as you borrow.

# Reverse Mortgage Resources

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Here are some resources for you and some websites you may want to visit. We are passionate about this product and have seen all the good it has done for mature borrowers but see what some notable senior advocates and others have to say...



<http://www.aarp.org/money/revmort>



<http://www.hud.gov/offices/hsg/sfh/hec m/rmtopten.cfm>

Los Angeles Times

<http://www.latimes.com/business/la-fi-reverse15-2009apr15,0,4550670.story>



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<http://www.reversemortgage.org>

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