WE'VE GOT ANSWERS TO ALL YOUR REVERSE MORTGAGE QUESTIONS

If you are 62 years or older, a reverse mortgage can help you borrow against your home's equity to access funds that can give you greater financial flexibility. Here are answers to some common questions that can help you decide if a reverse mortgage is right for you. If you'd like to learn more, please contact me for expert guidance that's tailored to your individual needs and plans.

WHAT IS A REVERSE MORTGAGE?

A reverse mortgage is a home-secured loan that's exclusively for homeowners and homebuyers age 62 and older. It allows you to convert some of the equity in your home into income-tax-free funds you can use as you choose, while you continue to own and live in your home. Most reverse mortgages are Home Equity Conversion Mortgages (HECMs), which are insured by the Federal Housing Administration (FHA).*

[1]This is not tax advice, consult a tax professional.

WHAT ARE THE BASIC REQUIREMENTS?

You may be eligible for a reverse mortgage if you are at least 62 years old, own and have sufficient equity in your home, and live in the home as your primary residence.

WHAT IF I STILL OWE MONEY ON A FIRST OR SECOND MORTGAGE?

You may still be eligible. Proceeds from your reverse mortgage would first be used to pay off any existing mortgage(s). This means the balance of your existing mortgage(s) will be added to the balance of your reverse mortgage.

HOW MUCH MONEY CAN I GET?

The specific amount depends on several factors, including your age, the type of reverse mortgage you select, the value of your home, prevailing interest rates and FHA lending limits.

HOW IS REVERSE MORTGAGE DIFFERENT FROM A TRADITIONAL HOME EQUITY LINE OF CREDIT?

A reverse mortgage offers certain advantages that provide greater flexibility and financial control:

- With a reverse mortgage line of credit, the unused amount in your credit line actually grows over time - giving you access to more available funds.
- No monthly principal and interest payments are required, and there is not pre-defined loan maturity date. You can choose to pay down the loan at any time, or defer repayment. (As with any home-secured loan, you must keep current with property taxes, insurance and maintenance for the loan to remain in good standing.)
- A reverse mortgage can't be canceled or reduced, as long as you meet your loan obligations and live in the home as your primary residence - so it will be there when you need it.
- With an FHA-insured reverse mortgage, you're not responsible to pay the difference if the loan balance ever exceeds the value of your home when the loan becomes due - known as the non-re course feature.

Continued...

HOW CAN I RECEIVE THE FUNDS FROM A REVERSE MORTGAGE?

You can take your funds as a lump sum, line of credit, monthly advances, or any combination of these.

WILL A REVERSE MORTGAGE AFFECT MY GOVERNMENT BENEFITS?

The funds from a reverse mortgage generally do not affect regular Social Security or Medicare benefits. However, needs-based benefits, such as Medicaid and Supplemental Security Income (SSI), may be impacted. We can provide additional general information, but you should contact a financial professional or government benefits specialist about your particular situation.

HOW CAN I USE THE PROCEEDS?

You can use the proceeds however you choose. For example: to supplement your retirement income, establish a "rainy day" fund, or cover healthcare or in-home-care costs. You can even use a reverse mortgage to purchase a new home that better fits your needs and wants; as us about our HECM for Purchase option.

WILL I HAVE TO PAY ANY FEES?

With the exception of a fee for government-required reverse mortgage counseling, most of the fees associated with a reverse mortgage can be financed with your loan, so there's no immediate out-of-pocket expense. The costs are added to the loan amount ("principal") and paid along with the accrued interest when the loan becomes due. These fees may include an origination fee, closing costs, a mortgage insurance premium (required for HECM loans) and a monthly servicing fee.

WHAT HAS TO BE REPAID WHEN THE LOAN BECOMES DUE?

You'll repay the loan balance, any fees that have been added, and the accrued interest. Homeowners (or their heirs) usually choose to do this through the sale of the home. Repaying the loan with other assets or by refinancing through a conventional mortgage is also an option, if you or your heirs want to keep the home.

WHAT IF ONE OF THE CO-BORROWERS PASSES AWAY OR MUST MOVE OUT FOR HEALTH REASONS?

That other borrower continues to own and live in the home - and enjoy all the benefits of their reverse mortgage.

WANT TO KNOW MORE? PLEASE CONTACT ME:

George R Stewart
Reverse Mortgage Consultant
NMLS 506558

Office: 843-771-3677
Cell: 843-818-7676
E-mail: gstewart.fam1fund.com
Web: gstewart.fam1fund.com

311 Johnnie Dodds Blvd. Suite 151
Mount Pleasant, SC 29464
NMLS 1812054

FAMILY FIRST FUNDING LLC