

# HOME EQUITY CONVERSION MORTGAGE FOR PURCHASE:

## A FINANCING OPTION THAT CAN HELP YOU SELL MORE HOMES

The Home Equity Conversion Mortgage (HECM) for Purchase home financing option (nicknamed “H4P”) can turn shoppers age 62+ into buyers. That’s because it allow them to keep more of their cash than they could with a conventional mortgage or an all-cash purchase. This make **your** clients more likely to buy **your** homes.

### COMPARING THREE WAYS TO PURCHASE A NEW HOME

|                 | <b>1 ALL CASH</b>  | <b>2 TRADITIONAL MORTGAGE</b>   | <b>3 HECM FOR PURCHASE</b>   |
|-----------------|--|---|--|
| <b>WHY?</b>     | <ul style="list-style-type: none"> <li>• Buyer owns the home free and clear</li> </ul>     | <ul style="list-style-type: none"> <li>• Option to make a minimum down payment and limit upfront investment</li> <li>• Builds equity as they pay down the loan</li> </ul> | <ul style="list-style-type: none"> <li>• Flexible repayment feature: Monthly principal and interest payments are optional*</li> <li>• Gives the buyer the flexibility to get the home they really want</li> <li>• Allows them to keep more assets to use as they wish</li> </ul>     |
| <b>WHY NOT?</b> | <ul style="list-style-type: none"> <li>• Ties up a large portion of their money</li> </ul> | <ul style="list-style-type: none"> <li>• Monthly mortgage payments diminish the buyer’s cash flow</li> </ul>  | <ul style="list-style-type: none"> <li>• The buyer’s equity in the home decreases if principal and interest payments are deferred, as the loan balance increases over time due to interest</li> <li>• Requires a larger down payment than the traditional mortgage option</li> </ul> |

\*Borrower is responsible for property taxes, homeowners insurance, and property maintenance in order for the loan to remain standing. A HECM is a home-secured loan that must be repaid upon default or a maturity event, such as when the home is sold, all homeowners have passed away, or the last surviving borrower no longer lives there as their property residence.

CALL ME TO LEARN HOW THE HECM TO PURCHASE PROGRAM CAN HELP YOU GROW YOUR SALES!



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