

*At ease* retirement.

Worry less.  
Live more.

Learn how a reverse mortgage can  
enhance your retirement years.



FINANCE of AMERICA  
- MORTGAGE -

## Write a better retirement story with a reverse mortgage.

Congratulations on taking the first step in your retirement journey. Envisioning the future and making a plan can be challenging but exciting at the same time.

If you're one of the tens of millions of people who don't feel financially prepared for retirement—relax. You're not alone. We are here to help. Retirement is complex, and thinking holistically is important. So why not consider one of your largest assets in your total retirement picture?

A reverse mortgage puts your hard-earned equity to work so you can plan to maintain or elevate your lifestyle during retirement.

### What can you do with a reverse mortgage?

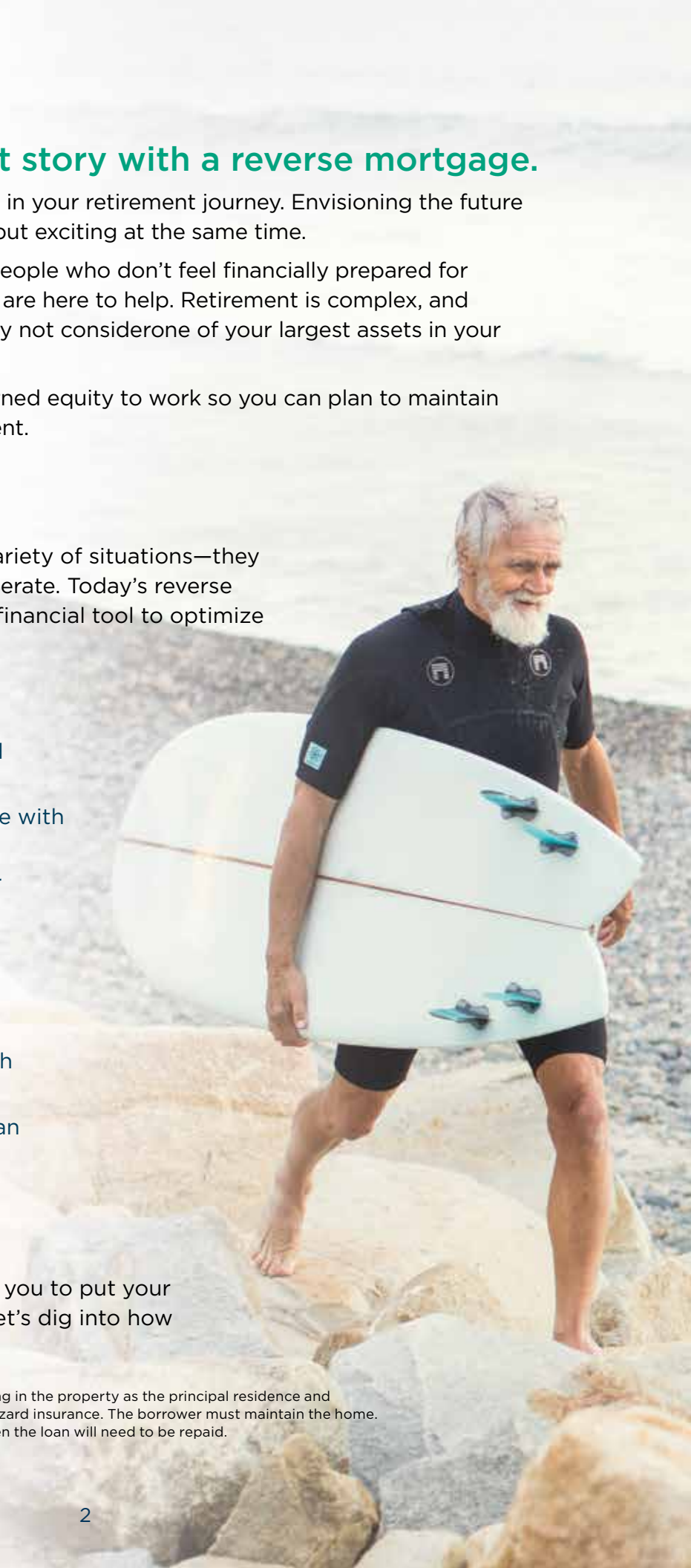
Reverse mortgages help people in a variety of situations—they are no longer a last resort for the desperate. Today's reverse mortgages can be used as a strategic financial tool to optimize your retirement.

Here are some thought starters.

- Pay off your current home loan and eliminate mortgage payments\*
- Supplement your retirement income with tax-free funds
- Avoid cashing out stocks and other investments in down markets
- Pay for medical or long-term care
- Pay off high interest debt
- Pay for major home improvements
- Purchase a more suitable home with no monthly mortgage payments\*
- Establish a line of credit that you can access as needed
- Start a new business
- Fulfill your travel dreams

In short, a reverse mortgage can allow you to put your equity to work however you wish. So let's dig into how the loan works.

\* The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.



## What is a reverse mortgage?

A reverse mortgage is a loan that converts your home equity into cash. The unique benefit is that you don't need to pay it back month after month. Interest and fees are added to the loan balance over time.

Your accumulated equity allows you to live your retirement comfortably now that your biggest asset is working for you.

Borrowers must continue to pay property taxes and insurance while upholding the terms of the loan.

The loan is payable at the time you leave the home, and it is a non-recourse loan which means you or your estate cannot owe more than the value of the property.

“I'm living my retirement my way.”

## Am I eligible for a reverse mortgage?

If your home is paid for, or you have built up a sufficient amount of equity, a reverse mortgage can empower you to access a portion of your equity tax free. You maintain ownership of your home.

Eligibility requirements are fairly simple:

- Be at least 62 or older
- Live in the home as your primary residence
- Have sufficient home equity
- Not be delinquent on any federal debt
- Participate in an independent educational counseling session held by an approved U.S. Department of Housing and Urban Development (HUD) counselor

\* The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

## Reverse mortgage safeguards. Borrow with peace of mind.

Today's reverse mortgages have changed significantly from the old stereotypes. There are now several built-in safeguards to protect borrowers like you.

### Here are the key consumer protections:

Reverse mortgages are non-recourse loans. This means that when the loan is repaid, you or your heirs will not be responsible for more than what the home is worth. This is true even if your home value goes down.\*

HECMs are insured by the Federal Housing Administration (FHA).

All borrowers are required to attend independent educational counseling to ensure they are fully aware of how their loan works and that their lender has accurately and truthfully presented the terms.

There is a financial assessment process to help determine if borrowers are willing and able to meet financial obligations, ensuring a reverse mortgage is a viable solution.

Tightened lending limits helps borrowers preserve revenue stream for better, long-term money management.

You continue to live in your home for the life of the loan.

All reverse mortgage loans are facilitated by a licensed loan officer who is approved by the state and will walk you through the process every step of the way.

“My peace of mind in retirement means I can spend more time with my grandkids.”

\* The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.



## Let's take a look at all your home equity retirement tools.

Today's reverse mortgages offer borrowers more flexible options than ever before. You can choose to take your loan proceeds as a line of credit; monthly advances for a set period of time; a monthly stream of funds for as long as you live in your home; a single lump sum; or a combination of these options.

Everyone has a unique retirement situation, so Finance of America Reverse LLC (FAR) created a suite of products called HomeSafe that offer jumbo reverse mortgage loans up to \$3 million—much higher than the HECM cap of \$765,600.



### Fixed rate with options for **lowest cost to maximum proceeds.**

Our most versatile offering, borrowers can choose from a range of options: save cash with the lowest interest rate or receive the largest cash payout available.



### Best for borrowers who are looking for a **line of credit.**

Gives borrowers the freedom and flexibility to access their funds as they wish by providing a line of credit with a growth feature, while making no monthly mortgage payments.\*

Great for unexpected expenses or funding portfolio gaps in down markets.

## REVERSE FOR PURCHASE

### Relocate or right size to a new home.

Allows borrowers to increase their buying power when purchasing a new home using a HomeSafe reverse mortgage, giving them the option to save money with no monthly mortgage payments.\*

## HECM

### The **traditional reverse** mortgage.

Available to borrowers 62 and older that is FHA-insured. Has a max proceed cap of \$765,600.

\*The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

## Advantages of a reverse mortgage over a HELOC.

A Home Equity Line of Credit (HELOC) and a reverse mortgage are both popular options for accessing the equity in your home. However, compared to a HELOC, the reverse mortgage offers several key advantages for borrowers in or near retirement.

Why choose a reverse mortgage over a HELOC?	HECM	HomeSafe Select	HELOC
You still own your home	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No monthly mortgage payments as long as you meet loan obligations*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Your loan will not be called early and generally cannot be frozen***	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Unused line of credit grows over time	<input checked="" type="checkbox"/>		
The loan does not need to be repaid until the house is sold or is no longer your primary residence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
No prepayment penalties or annual fees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Is a non-recourse loan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Standard to jumbo loan amounts up to \$3 million available		<input checked="" type="checkbox"/>	

\*The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. Elective payments are acceptable and will not incur a prepayment penalty.

\*\*\*The LOC on Select is also guarded but may be frozen, though not reduced or called, in the event of a significant adjustment in property market value, and will be reinstated when conditions normalize.

# Hypothetical examples of retirement scenarios.

## The HomeSafe reverse mortgage.

Let's say you are 68 and have a home valued at \$1.25 million. You are paying costly monthly principal and interest payments on your mortgage. Ideally, you would like to retire and pay off your mortgage to reduce expenses. However, you don't want to tap into your investment accounts.

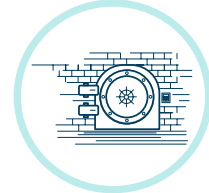
### The HomeSafe Solution:



Realizing that your home is an untapped asset, you choose a HomeSafe reverse mortgage. The reverse mortgage replaces your existing mortgage and monthly payments are not required.\*



Additionally, you plan to take out a lump sum for whatever you want to use it for.



This way, you can leave your retirement accounts intact so they can continue to grow and generate income.

## Right sizing your home with HomeSafe for Purchase.

You are 72 and have decided the home where you raised your kids, currently valued at \$1.2 million, no longer meets your needs in retirement. Your kids have moved to another state, and you'd like to buy the "right sized" home and live closer to them. However, you want to increase your liquidity without having a mortgage payment or having to tap into your retirement assets.

### The HomeSafe for Purchase Solution:



You decide to sell your home, which gives you net proceeds of \$1,104,000. You find a new home near your children for around \$950,000.



You put down \$535,080 from the proceeds of your old home and finance the remaining \$426,550 with a HomeSafe reverse mortgage.



This increases your liquidity up to \$565,920, and you have no mortgage payments.\*

Illustration is for educational purposes only and assumes a borrower who resides in CA, with a fixed interest rate of 6.99 (7.24% APR) and financed fees of approximately 2% of the home value. Rate quote generated 03/03/2019.

## HECM for Purchase.

You and your spouse are 65 and want to upsize to a nicer home in the desert. Your current home is worth \$250,000 and is paid off. You sell your house and have \$235,000 in proceeds after selling costs.

### The HECM Solution:



Using the proceeds from your house, you decide to purchase a new residence for \$400,000.



You take out a reverse mortgage on the remaining balance, meaning you only have to put down \$231,400 out of your \$235,000 net proceeds.



Now you can purchase the perfect desert house and still have \$3,600 left over.

Illustration is for educational purposes only and assumes a borrower who resides in CA, with a fixed interest rate of 4.5% (7.24% APR) and financed fees of approximately 3% of the home value. Rate quote generated 09/19/2019.

\*The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

## Frequently asked questions:

### What are the loan costs for a reverse mortgage?

Like a traditional mortgage, there are costs associated with a reverse. Along with interest, you may have an origination fee, title fee, credit report fee, property appraisal, closing costs, mortgage insurance premium, servicing fee, and a modest charge for independent counseling. However, most of your upfront costs can be rolled into your loan, minimizing your out-of-pocket costs.

### How much can I borrow?

The amount you may borrow will depend on a number of factors. These include the age of the youngest borrower or non-borrowing spouse; your home value and amount of available equity, FHA lending limits, current interest rates, and the reverse mortgage and payment option you choose. Licensed loan officers can give you a free, detailed quote based on your specific situation.

### How do I receive the proceeds?

You can take your funds as a lump sum, a line of credit, or as monthly payments. You can also use a combination of these options.

### Do I have to make monthly payments?

One of the greatest benefits of reverse mortgages is that no monthly principal or interest payments are required during the term of loan, as long as the terms of the loan are met.\*

### Will a reverse mortgage affect my Social Security or Medicare?

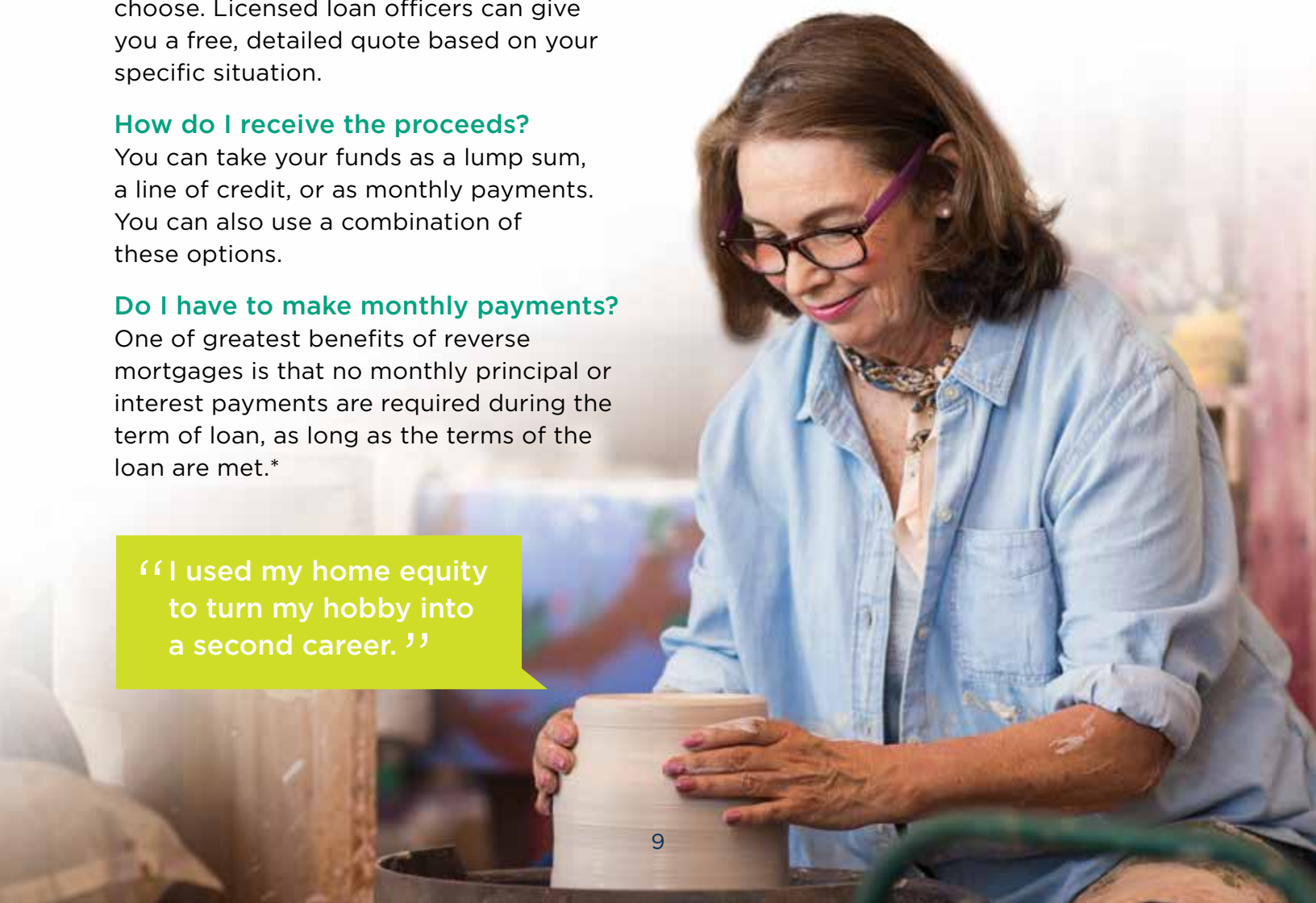
Reverse mortgages typically don't impact Social Security or Medicare benefits. Because programs vary from state to state, be sure to consult a benefits professional before entering into a reverse mortgage.

### When does the loan get repaid?

The loan is repaid when the borrower or qualified non-borrowing spouse no longer lives in the home. Often, the estate will sell the home to pay the loan, but heirs also have the option to pay off the loan through other means and keep the property.

\*The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

“I used my home equity to turn my hobby into a second career.”



## The loan process.

### We're with you every step of the way.

As your lending partner, you'll never feel alone. As you explore your reverse mortgage options, one of our licensed loan officers will guide you through the entire loan process. Here's a summary of how it works.

#### Education:

Your licensed loan officer will help you determine if a reverse mortgage is the right solution for you. To help you make an informed decision, we'll answer all your questions, assess your individual needs and financial situation, thoroughly explain everything, and prepare you for your independent counseling session. We encourage you to include your family members and trusted advisor(s) in your decision-making process.

#### Independent counseling:

To ensure that you understand all aspects of a reverse mortgage, you're required to have a session with an independent counselor who's approved by the U.S. Department of Housing and Urban Development (HUD). It usually takes about 60 to 90 minutes and can be done in-person or over the phone. (Some states require face-to-face counseling.)

#### Application:

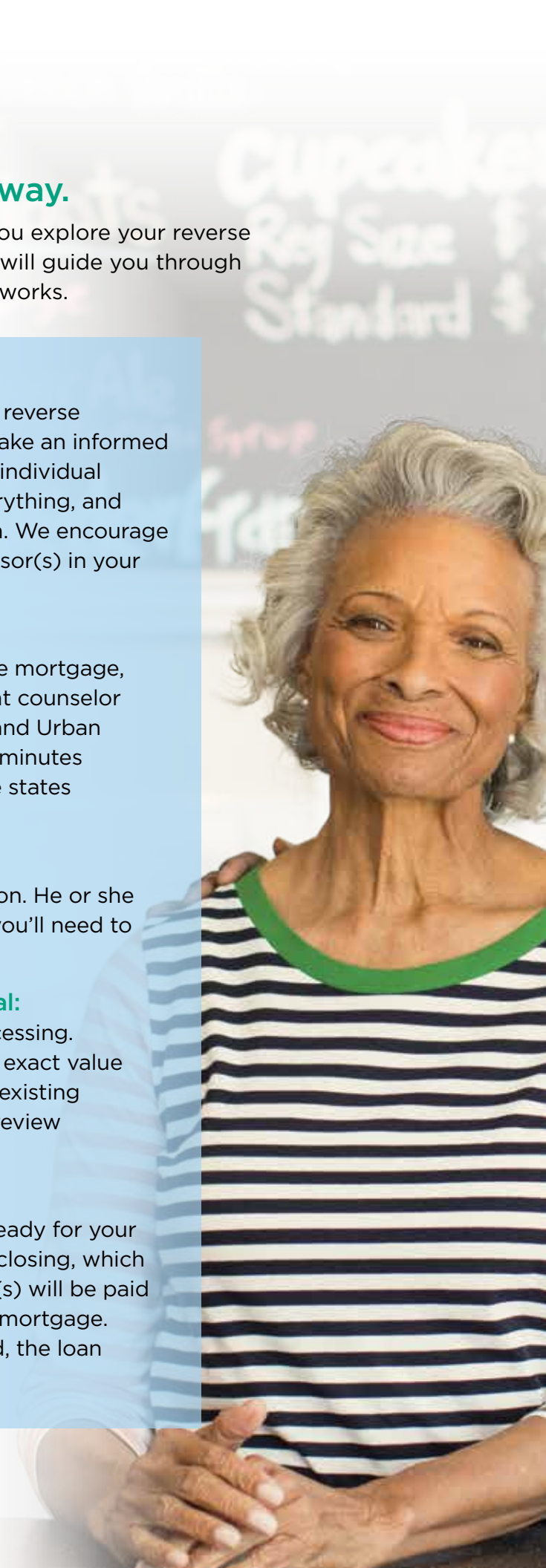
Your loan officer will help you complete the application. He or she will let you know exactly which support documents you'll need to provide.

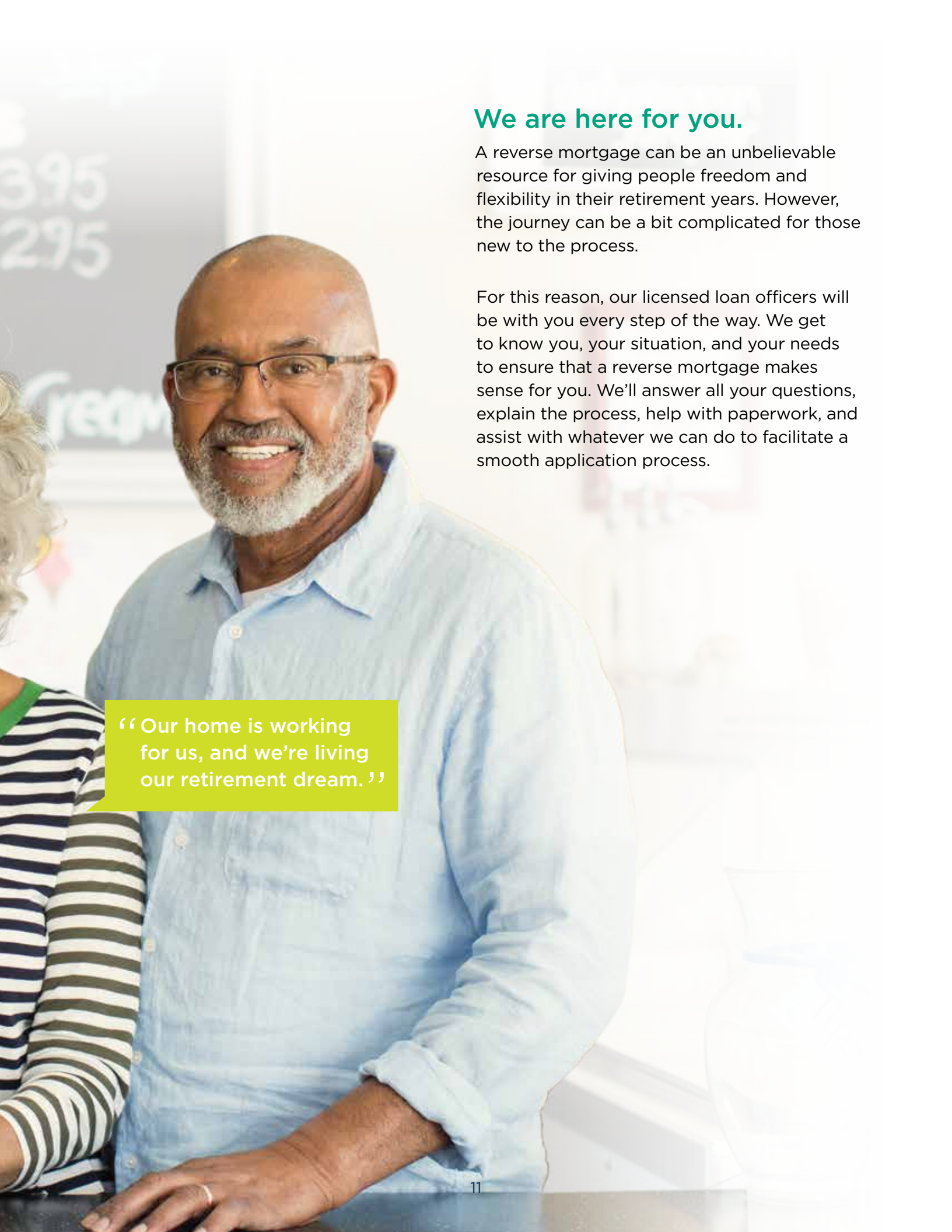
#### Property appraisal, loan processing and approval:

Your loan officer will submit your application for processing. A home appraisal will be scheduled to determine the exact value of your home. Then we request title information and existing mortgage payoff amounts. An underwriter will then review your application for approval.

#### Closing:

Once the loan is approved and final documents are ready for your signature, we will contact you to schedule your loan closing, which can take place at your home. Any existing mortgage(s) will be paid off with a portion of the proceeds from your reverse mortgage. After the closing and any applicable rescission period, the loan will fund and you'll receive your money.





## We are here for you.

A reverse mortgage can be an unbelievable resource for giving people freedom and flexibility in their retirement years. However, the journey can be a bit complicated for those new to the process.

For this reason, our licensed loan officers will be with you every step of the way. We get to know you, your situation, and your needs to ensure that a reverse mortgage makes sense for you. We'll answer all your questions, explain the process, help with paperwork, and assist with whatever we can do to facilitate a smooth application process.

“Our home is working for us, and we’re living our retirement dream.”

## What the respected media has to say about reverse mortgages.

### The Wall Street Journal / Real Estate

“Homeowners sitting on significant equity due to rising home values or because they’ve paid off their mortgage could be a good fit. They can, of course, unlock that equity by selling their properties or getting home-equity loans or lines of credit. But for older Americans who want to stay in their home or supplement their income without assuming additional debt, a better option might be the jumbo reverse mortgage.”

– **Robyn A. Friedman, Contributor,**

“Senior Homeowners Give Reverse Jumbo Mortgages New Life,”

**December 12, 2018**

### Forbes / Personal Finance

“Laurie Goodman, PhD, Founder and Co-Director of the Housing Finance Policy Center at The Urban Institute presented a study showing that less than one percent of eligible homeowners utilize a reverse mortgage today. This weak uptake is despite research demonstrating that the number of people that would benefit from the product could be ten times higher. Chris Mayer, Professor of Real Estate at Columbia Business School and CEO of Longbridge Financial, spoke about how recent changes to the HECM program added additional consumer protections aimed at keeping homeowners in the home for their life.”

– **Jamie Hopkins, Contributor,**

“Researchers Say Reverse Mortgages Deserve A Second Look,”

**March 30, 2018**



## Let's have a conversation about your retirement goals.



**FINANCE of AMERICA**  
– MORTGAGE –

The HomeSafe® reverse mortgage is a proprietary product of Finance of America Reverse, LLC and is not affiliated with the Home Equity Conversion Mortgage (HECM) program. Not all HomeSafe® products are available in every state. Please contact us for a complete list of availability.

These materials are not from HUD or FHA and were not approved by HUD or a government agency.

©2020 Finance of America Mortgage LLC is licensed nationwide | Equal Housing Opportunity | NMLS ID #1071 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)) | 300 Welsh Road, Building 5, Horsham, PA 19044 | (800) 355-5626 | AZ Mortgage Banker License #0910184 | Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act | Georgia Residential Mortgage Licensee #15499 | Kansas Licensed Mortgage Company | Licensed by the N.J. Department of Banking and Insurance | Licensed Mortgage Banker -- NYS Banking Department | Rhode Island Licensed Lender | Massachusetts Lender/Broker License MC1071.

The reverse mortgage borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the borrower does not meet these loan obligations, then the loan will need to be repaid.

This is not a commitment to lend. Prices, guidelines and minimum requirements are subject to change without notice. Some products may not be available in all states. Subject to review of credit and/or collateral; not all applicants will qualify for financing. It is important to make an informed decision when selecting and using a loan product; make sure to compare loan types when making a financing decision.

Finance of America Mortgage LLC is not a tax consultation firm. Please seek advice from a tax professional.