

Reverse Mortgages

Stay in Your Home and Put its Equity to Work for You



Many Homeowners, 62 Years and Older, are Discovering the Benefits of a Reverse Mortgage.

Reverse mortgage proceeds can be used for virtually anything, it is completely up to you:

- Supplement your retirement income
- Help fund healthcare costs
- Pay for home repairs or modifications
- Pay off any existing debt, even an existing mortgage
- Cover property taxes
- Help prevent foreclosure
- Secure a cash reserve for emergencies

With the aging of our population, and the anticipated financial needs of mature homeowners it is easy to see why a reverse mortgage is a retirement tool whose time has come. It is a popular home loan that was created specifically for senior homeowners, 62 years and older, who want to convert part of their home's equity into income.

This is a non-recourse loan and a resource to generate financial support for the senior. Reverse mortgages are non-recourse loans. This means, if the HECM loan balance exceeds the home's value at maturity, there is no recourse to you, your estate or your heirs as long as you or your estate sell the property to pay off the debt.

Additional protections include mandatory counseling and lifetime caps on adjusted interest rates.

Today's Seniors Use Reverse Mortgages to Make a Difference in Their Lives – You can, too!

- Retain title to your home*
- Enrich the quality of your life with the extra money to supplement your retirement
- Capitalize on your home's equity without having to move
- No monthly mortgage payments*

Best of all, you get to decide how to receive your money:

- All at once, in a lump sum
- Fixed monthly payments either for a set term or for as long as you live in the home
- Line of credit, which is the most common option, allows you to draw on proceeds any time
- Or a combination of the above



* Homeowners must remain in and maintain the home, and continue to pay insurance and property taxes.

Reverse Mortgages

Stay in Your Home and Put its Equity to Work for You



Is a Reverse Mortgage Right for You?

We realize that your home is probably the largest asset you own and using its equity in a reverse mortgage requires serious thought. It may not be for everyone; however, a reverse mortgage is all about making the most of the equity that you have acquired. This popular home loan has been helping seniors for more than a decade and their desire to do so is usually supported and encouraged by the seniors' adult children.

There are up-front costs associated with a reverse mortgage, so you may want to consider other options if you plan to stay in your home for only 2 to 3 more years. Since each senior's situation is unique, it is important that you talk to someone you can trust when exploring your reverse mortgage options, the various types available or to simply get answers.

Quick Answers:

The proceeds you may be eligible to receive depends on several factors:

- Your age (or the age of the youngest borrower, in the case of co-borrowers)
- Your appraised home value
- Current interest rates
- Amount of equity in home

As long as you have enough equity in your home you may qualify for a reverse mortgage. Basically, the older you are and the more equity in your home, the more money you can receive. Your home must be your primary residence. Eligible property types include:

- Single family homes
- 1-4 unit properties
- Some manufactured homes
- Condominiums and townhouses

A HECM Reverse Mortgage

The Home Equity Conversion Mortgage (HECM) loan is the oldest and most common reverse mortgage and is a FHA-insured (Federal Housing Administration) program for homeowners age 62 and over.

A unique feature of the HECM loan is the MIP (Mortgage Insurance Premium). This is required by and paid to HUD to insure the mortgagee against losses. HUD also guarantees the borrower their funds will be available if the lender or servicer is not able to make payments.

Find Out if a Reverse Mortgage is Right for You!



People portrayed are professional models and are used for illustrative purposes only. Not all products and options available in all states. Terms and conditions subject to change without notice.

American Capital Corporation is a registered DBA of A.K.T. American Capital, Inc., which is Licensed by the California Department of Business Oversight, under the California Residential Mortgage Lending Act, License #4131347 NMLS #264422

David Guelff

CA BRE # 00830931 NMLS #240164
Reverse Mortgage Manager / Loan Consultant

2245 Campus Drive, El Segundo, CA 90245
310 640 0100 x262
310 524 0470 Fax
310 849-8231 Cell
david@mortgagebrokerla.com
www.davidguelff.com

