

Retire More Freely

Flexible home
financing solutions



Financial solutions for a new generation of retirees

You've worked hard and saved for your retirement. Now it's time to think about how to best enjoy these years.

If you are an older homeowner or homebuyer, you owe it to yourself to consider how a reverse mortgage could help you meet your retirement goals.

A reverse mortgage is a lot like a traditional mortgage or home equity loan. But it's designed specifically for people who are in or approaching retirement, so it has some added benefits—including the flexibility to make any size monthly payment you want, or none at all. As with any mortgage, you own your home. And whatever equity is available when you sell it is yours. You just have to meet your loan obligations, keeping current with property taxes, insurance and maintenance.

We can help you determine if your home qualifies for a reverse mortgage, and if this loan option is right for you.



Flexible, secure, tailored to your needs

Reverse mortgages continue to grow in popularity because they allow you to tap into the equity built up in your home, giving you the benefits of a home equity loan or home equity line of credit—and more. And the proceeds are generally not considered taxable income.*

But unlike conventional mortgages or home equity loans, reverse mortgages have a **flexible repayment feature**. Each month, pay as much or as little as you like, or defer repayment. You decide. As long as you comply with the terms of the loan, a reverse mortgage doesn't have to be repaid until the home is sold, or it's no longer your primary residence.†



We offer a full range of reverse mortgage options—including **Home Equity Conversion Mortgages (HECMs)**, as well as our own “private label” product called **Equity Elite®** that's available to borrowers as young as 55.**

There are a variety of choices for interest rates, the amount of money you can access, how you can receive the proceeds, and closing costs—including our Equity Elite® ZERO option, which offers a lender credit to be applied towards most closing costs.††



Buying a home with a reverse mortgage

If you want to relocate or “right-size” to a home that better fits your life, a reverse mortgage can provide the money you need to purchase your new home, to be occupied as your principal residence.

- Buy the home you want using reverse mortgage financing, instead of using a regular mortgage or paying all cash.
- With its flexible repayment feature, you can keep more of your savings.†



*Not tax advice. Consult a tax professional.

†As with any mortgage, you must meet your loan obligations, keeping current with property taxes, insurance and maintenance.

**Available to borrowers as young as 55 in select states only. Higher minimum age requirements may apply. Visit www.reversefunding.com/equity-elite for details.

††With this pricing option, borrower receives a lender credit covering nearly all closing costs. There is a non-refundable independent counseling fee of approximately \$125 on average, which the borrower pays directly to the counseling agency. Terms and conditions apply. Not available in all states.

A reverse mortgage can help you:

- Refinance existing mortgage debt, to dramatically reduce your monthly payments*
- Consolidate debts such as high-interest credit cards, auto loans, etc. to lower your monthly bills
- Improve cash flow
- Gain payment flexibility, for more financial control
- Pay for large purchases, like a new automobile
- Assist a grandchild headed off to college
- Fund home renovation projects
- Establish a standby line of credit you can tap into as needed
- Buy a home

Who can get a reverse mortgage?

To qualify, you must own your home and live in it as your primary residence. Houses and most condominiums qualify, as do many homes with existing mortgages. The home must meet U.S. Department of Housing and Urban Development (HUD) minimum property standards. For a HECM, you must be age 62 or older. Equity Elite® is available to those as young as 55 in select states.*

When to repay the loan

As long as you meet your loan obligations, the loan does not have to be repaid until you sell the property, no longer live in the home as your primary residence for longer than 12 months, or pass away. Just like a traditional mortgage, the loan also becomes due if you fail to comply with the terms of the loan—including keeping up with property taxes, insurance and maintenance.

Typically, the loan (along with accrued interest and fees) is repaid with funds received from the sale of the home, and you or your heirs retain any remaining money after the loan is repaid. If you or your heirs want to keep the property, the loan can be repaid at any time using a traditional mortgage or other assets.

For example: Meet Frances, age 71.

Frances has paid off her first mortgage, but has a home equity loan that requires her to make burdensome monthly principal and interest payments.

With a reverse mortgage, she can refinance her home equity loan in order to drastically reduce or even eliminate that monthly payment, thanks to the reverse mortgage's flexible repayment feature.†

After the home equity loan is paid off, she can choose to take her remaining reverse mortgage funds as a steady stream of monthly payments for as long as she lives in her home—or to set them aside as a line of credit that she can use in the future, as needed. She could even do a combination of the two.‡

As a result, Frances is able to:

- Keep more money in her pocket each month
- Be more financially prepared for the future
- Avoid tapping into invested assets



*Available to borrowers as young as 55 in select states only. Higher minimum age requirements may apply. Visit www.reversefunding.com/equity-elite for details.

†As with any mortgage, you must meet your loan obligations: keeping current with property taxes, homeowners insurance and keeping your home in good condition.

‡Borrowers who elect a fixed rate loan will receive a single disbursement lump sum payment. Other payment options are available only for adjustable rate mortgages.

5 Reverse Mortgage Myths: The Facts

MYTH #1

The bank will own my home.

FACT: Just like any mortgage or home equity loan, you continue to own your home, with your name on the title. As with any mortgage, you must meet your loan obligations, keeping current with property taxes, insurance, and maintenance.

MYTH #2

Reverse mortgages take advantage of retirees.

FACT: Reverse mortgages are specifically designed to help retirees. The industry is also highly regulated: Any lender offering reverse mortgages must follow strict state and federal guidelines and regulations that are in place to protect borrowers.

MYTH #3

I won't qualify since I have existing mortgage debt.

FACT: Proceeds from your reverse mortgage would first be used to pay off any existing mortgage(s).

MYTH #4

I won't be able to leave my home to my heirs.

FACT: Your heirs will still inherit your home. If they want to keep the home they will have to pay back the loan balance including the funds you used plus accrued interest and fees. Or, they can sell the home to repay the loan. Once it's repaid, they retain any remaining equity.

MYTH #5

Reverse mortgages have expensive up-front costs

FACT: Most of the fees associated with a reverse mortgage loan (other than the government-required reverse mortgage counseling) can be financed with your loan. This helps cut down on up-front costs.

Your individual rates and fees depend on factors like: current interest rates, your home's value, and your age.

RMF also offers a loan with a lender credit that can be applied toward most closing costs.†

Comparing Your Options

Are there alternatives to reverse mortgages?

Yes, many homeowners look at refinancing with a traditional mortgage loan or a Home Equity Line of Credit (HELOC). However, for homeowners age 55 and older, in many cases a reverse mortgage is a more suitable option.[†] That's because it's designed to be sustainable for those on a fixed or reduced income—whether it's now, or in the future. Reverse mortgages have a flexible repayment feature,^{*} making them more desirable during this life stage.

Which financing option is right for you?

	Home Equity Line of Credit (HELOC)	Traditional Mortgage	Home Equity Conversion Mortgage (HECM)	Equity Elite [®]
Converts home equity into loan funds?	YES	YES	YES	YES
Age-based lending	NO	NO	62 or older	55 or older [†]
How much can I borrow?	No set amount	No set amount	Less than \$970,800	Up to \$4 million
Flexible repayment feature?	NO	NO	YES [*]	YES [*]
Minimum monthly payment required?	YES	YES	NO [*]	NO [*]
Non-recourse feature (You'll never owe more than the home is worth when the loan is repaid)	NO	NO	YES	YES
Income qualifications	Stricter	Stricter	More lenient	More lenient
Can be used to buy a home?	NO	YES	YES	YES

[†]Available to borrowers as young as 55 in select states only. Higher minimum age requirements may apply. Visit www.reversefunding.com/equity-elite for details.

^{*}As with any mortgage, homeowners must meet loan obligations, keeping current with property taxes, insurance and maintenance.

[§]Not applicable in all states; MA imposes a maximum loan amount of \$1.5MM. Visit www.reversefunding.com/equity-elite for details.

Take the Next Steps Toward Your Dream Home



STEP 1: Preparation

- **Education.** Your loan specialist will have all the information you'll need to help you decide if a reverse mortgage for purchase is the right solution for you. He or she will go over all the details and answer all your questions.



STEP 2: Pre-Approval

- **Counseling.** You'll meet with a third-party reverse mortgage counselor who's approved by the U.S. Department of Housing and Urban Development (HUD), to make sure you understand all aspects of the loan.
- **Application.** If you've decided to move forward, next, you'll complete and submit your application. The application includes some personal information, and a financial assessment will be conducted to make sure you'll be able to afford ongoing expenses like property taxes, insurance, and home maintenance. Your loan specialist will guide you through this process and let you know what documents you'll need.



STEP 3: Processing

- **Appraisal.** The home you wish to purchase will be appraised by an independent appraiser to determine the value.
- **Underwriting.** Then the appraisal and loan package will be sent to an underwriter for review and approval. The underwriter will make sure all the information in the package is correct and compliant with all laws and regulations.



STEP 4: Approval

- **Closing.** After your loan application is approved, you will sign your closing documents with a title officer or attorney (depending on your state's requirements).



STEP 5: Arrival!

- **Relocation.** Receive the keys to your new home, and enjoy greater financial flexibility in retirement!

To learn more, call me today:

Kevin Kaltenbach

President

NMLS# 75462

Senior Financial Group, Inc.

1 Park Plaza Suite 623 Irvine, CA. 92614

Company NMLS # 1227244

Phone: 949-910-0932 | Email: Kevink@sfgreverse.net



L2567-Exp042020_v012022

This material has not been reviewed, approved or issued by HUD, FHA or any government agency. The company is not affiliated with or acting on behalf of or at the direction of HUD/FHA or any other government agency.

<<Partner-Specific Company Disclosures & Licensing. Partner should consult its legal and compliance department to ensure this material contains the appropriate legal and compliance statements.>>