



HTL HighTechLending

Retire Better With A Reverse Mortgage

HTLreverse.com | Office (800)223-9401

This brochure is not from HUD or FHA, and was not approved by HUD, FHA or any other government agency



Table of Contents

Enjoy your retirement years	1	The HECM Loan Process	
What is a HECM?	1	Education	4
Why get a HECM?	1	Counseling	5
HECM vs. Traditional Mortgages	1	Application	5
HECM Advantages	2	Financial Assessment	5
		Appraisal	5
Important Information	2	Home Insurance	5
		FHA Mortgage Insurance	5
Q and A	2	Title Insurance	5
JUMBO Reverse Overview		Closing	
Jumbo Reverse Products	3	Last Minute Detail Check	6
		Signing the HECM Loan	6
HECM Loan Specifics		Last Minute Detail Check	6
		After the Closing	6
How Your Loan is Calculated	3	Checklist Items	6
Payment Options	3	Contact Information	7
Interest Rate	4		
Loan Repayment	4		
Effect on Public Benefits	4		

Enjoy Your Retirement Years

You have worked hard your whole life and only you know what it has taken to get here. You finally reached that point in life where you can relax and enjoy your retirement. Like many other American homeowners, age 62 or more, you may find your expectations falling short.

But there is great news for you. Whether you're looking to pay off bills, purchase a new home, or convert your equity to additional income to enjoy your retirement, the FHA Insured Home Equity Conversion Mortgage (HECM) may be the answer for you.

What is a HECM?

HECM Loans allow you to borrow against the equity you've established in your home without repaying the loan for as long as you live in the home and continue to pay property taxes, insurance, HOA fees, and maintain the home to comply with loan terms.

You may qualify for the HECM Loan Program if at least one borrower is age 62 or older, own and live in your home as your primary residence, have substantial equity in the home and your property meets HECM guidelines. Most properties qualify, including single family residences, 2-4 unit properties (as long as you live in one of the units) and many condos & manufactured homes.

Why get a HECM Mortgage?

A HECM Loan can be used for a variety of purposes. Just like a traditional mortgage, you are not restricted on how the funds can be used. Also like a traditional mortgage, property taxes, insurance, HOA fees must be paid. Here are a few examples of what others have done with their HECM loan money:

- Supplement retirement income
- Cover medical expenses
- Make home repairs or improvements
- Pay in-home care
- Legacy donations, vacations and more



HECM vs. Traditional Mortgages

Traditional mortgages are used for purchasing or refinancing a home at any age. You borrow the money from a lender and then pay the money back with interest, usually over 15 to 30 years.

HECM mortgages are used to get money out of the home you already own. This allows you to use the cash now for expenses, and pay back the loan with interest, when you die or sell the home.

HECM vs. Traditional (cont)

You are not required to make any principal or interest payments for as long as you live in the home .

Important Information

Borrower risks foreclosure for failing to remain current on property taxes, homeowners insurance and HOA fees
Payment on this loan is required at the end of the loan, when you no longer occupy the home as your principal residence or the loan becomes due because of default. Charges will be assessed with a reverse mortgage loan including an origination fee, closing costs, mortgage insurance premiums and servicing fees. The loan balance will grow over time and interest is charged on the outstanding balance. Interest on a Reverse Loan is tax deductible when the borrower makes a partial or full repayment

HECM Advantages

For many, a HECM Loan is an effective way to convert home equity into flexible, tax-free money – Check with your Tax Advisor. The beneficial effects are numerous:

- Continue to live in and own the home with a possible reduction in monthly expenses.
- You and your heirs have no personal liability for the repayment of the loan since it's secured by your home and insured by the FHA and paid by you from the loan fees.
- Repay the loan at any time without penalty

Questions and Answers not approved or provided by HUD or any Government Agency

Q. Am I qualified for a HECM Loan if I currently have an existing loan on my home?

A. Yes, you may be, and this is very common. The existing loan will need to be paid off with money from your HECM Loan.

Q. My property is held in a Living Trust. Do I qualify?

A. Yes, you may, provided you are the trustee or beneficiary and are qualified by age.

Q. To avoid probate, my children and I own the property in joint tenancy. Do we qualify?

A. No, unless the children are age 62 and older and live in the property. Otherwise, you may wish to consult a trust attorney to look at other ways to avoid probate.

Q. Are manufactured homes eligible?

A. Yes. The home must have been built in June 1976 or later; you must own and live in the home, meet the requirements for a HECM loan and be eligible to participate in FHA programs. Other restrictions may apply.

Q. My spouse is permanently in a nursing home. Can we participate?

A. Yes. The requirement is only that one owner occupies the property as a principal residence.

Jumbo Reverse Products

Jumbo Reverse Mortgages – also known as Proprietary Reverse Mortgages - are loans designed and offered by financial institutions that enable owners of high value homes to access greater amounts of their home equity than is available from the FHA insured HECM Reverse Mortgages.

Contact me to learn more about what options you may have with a Jumbo Reverse Mortgage.

HECM Loan Specifics

The Eligibility requirements are simple. There is no medical or employment qualifying restriction. Credit and Income are considered as well as other factors.

- The home must be your primary residence.
- The property can be a single family or a two-to-four unit dwelling, but town homes, condominiums, planned unit developments (PUD's) and some manufactured homes and some homes on leased land are eligible. Co-Ops don't qualify.
- Borrower must meet certain residual income after property taxes, homeowner's insurance and homeowner's association fees are subtracted from income.

The home must meet HUD minimum property standards. In some cases, home

repairs can be made after the closing of a HECM Loan.

How your loan is calculated?



In general, the more your home is worth, the older you are and the lower the interest rate, the more you'll be able to receive.

Payment Options

Customers have unique needs. Some prefer to get the entire loan amount up front, while others would prefer steady monthly payments to supplement their income. With many distribution plans, you are able to adjust your plan as often as you wish to accommodate changing needs.

There are four different kinds of HECM Loan distribution plans to fit your needs and desires. You may be able to make a combination of them.

- **Lump Sum Cash Advances**

Cash is immediately available to pay off existing mortgage and liens.

- **Term**

Equal monthly payments for a fixed period of time

- **Tenure**

Equal monthly payments as long as at least one homeowner uses the home as their primary residence and continues to pay property taxes, insurance and maintain the home according to HUD guidelines

- **Line of Credit**

A credit line which the customer can draw upon as he or she wishes

- **Combination**

An immediate cash advance in addition to monthly allotments.

FHA insures the borrower(s) will receive the monthly payments and/or line of credit established.

In many cases, future adjustments to the monthly payments you receive are possible for a modest administrative fee.



Interest Rate

Your loan will be made based on a fixed or adjustable rate of interest. You have the

option of choosing this during the application and approval process. Adjustable rates are linked to a LIBOR Index.

Loan Repayment

The loan is due and payable when you no longer occupy the property as your principal residence, whether due to death of the borrower, sale of the property, or foreclosure for failing to remain current on property taxes, homeowners insurance or HOA fees. There is no requirement that the property be sold, only that the loan is repaid. This may occur either through the sale of the home or by using other resources, such as savings or possibly the heirs applying for a new mortgage.

Effect on Public Benefits

HECM Loans are not considered income and will not affect Social Security or Medicare benefits. However, your HECM Loan advances may affect your eligibility for some other programs, such as Medicare and SSI. Consult your local program offices to determine how, or if, monthly HECM Loan payments might affect your specific situation. The process of applying for your HECM Loan involves several phases. We will assist you throughout the process.

Education

This is the phase that you are in now. You are taking the time to learn about the HECM Loan program to determine if it is appropriate for your situation.

Counseling



As part of the HECM Loan application process, you are required to participate in a HUD approved consumer education session.

The counselor will explain the legal and financial obligations of the program, as well as any alternatives you may have. The HECM Loan program is not for everyone, so this step will help ensure you are making the right decision.

After the session has been completed, you are given a certificate. You must present this certificate to the lender as proof that you have completed the counseling session and want to get a HECM Loan.

Application

Your HECM Loan Officer will help you complete and sign the loan application. Once completed, you will receive a disclosure of the estimated total cost of the loan, as required by the Federal Truth in Lending Act.

Financial Assessment

An income and credit assessment is performed to ensure you have enough money

to pay ongoing costs, like property taxes, homeowners insurance or HOA dues and home maintenance over the life of the loan.

Appraisal

A professional appraiser, approved by FHA, will be used to determine the value of your home which will be used to calculate the amount you can receive as part of your HECM Loan.

Home Insurance

You must have hazard insurance. Make sure your policy is up to date, payments are current, and you have replacement coverage.

If your home is in a flood zone, flood insurance is required.

FHA Mortgage Insurance

Part of your loan closing costs includes an initial payment for Mortgage Insurance. This insurance protects you and your heirs from owing any additional money should the future loan amount increase above the actual value of your home. Additionally, an ongoing insurance premium is calculated on your HECM Loan Balance, and this is paid when the HECM loan is repaid.

Title Insurance

There are two types of title insurance: one protects the lender (required), and one protects the borrower (optional).

Title insurance is purchased as protection from claims against your ownership of the property.

Such claims may be made by undisclosed spouses, heirs of previous owners, creditors holding liens against previous owners, or other parties.

Last Minute Detail Check

A few days before the closing, your HECM Loan Officer will help you go through a checklist of what you'll need to finalize and close your loan.

These include:

- ✓ Confirm whether you want your funds in a check made payable to or via direct deposit.
- ✓ Remind you to have a photo ID and a void check for the notary.



Signing the HECM Loan Documents

If you qualify, the closing for a HECM Loan typically takes place in your home and your signatures are witnessed by a notary. You will receive copies of the loan documents, including the mortgage or deed of trust. You then have 3 days to cancel the mortgage if you should change your mind.

After the Closing

You are responsible to pay property taxes, Home owners insurance, and HOA fees, maintain your home, and comply with all loan terms.

To get Started give us a call and have the following items:

- •Proof of Social Security number
- •Photo I.D. (driver's license, passport, etc)
- •Most recent tax bill
- •Homeowners Insurance Policy
- •Trust Agreement
- •Income documentation such as
- •Social Security
- •Pension
- •Employment Income

For Your Personal Appointment Please

Contact: HTLreverse.com

(866)223-9401

info@hightechlending.com

THIS BROCHURE IS NOT FROM HUD OR FHA, AND WAS NOT APPROVED BY THE HUD, FHA OR ANY GOVERNMENT AGENCY

HighTechLending, Inc., [NMLS #7147](#) Licensed by the Department of Business Oversight under A California Residential Mortgage Lending Act #4130937. NMLS #7147. Licensed in AZ Mortgage Banker License # 0912577, CA #4130937 Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act, CO #7147 Regulated by the Division of Real Estate, FL #7147, HI #7147, IL #MD-6761112 Illinois Residential Mortgage Licensee, MD #21762, NC #L-165611, NJ #7147, NM #7147, NV #4517, GA License #53077 Georgia Residential Mortgage Licensee, OR #ML4386, PA #4982, SC #7147, TX #7147 CONSUMERS WISHING TO FILE A COMPLAINT AGAINST A MORTGAGE BANKER OR A LICENSED MORTGAGE BANKER RESIDENTIAL MORTGAGE LOAN ORIGINATOR SHOULD COMPLETE AND SEND A COMPLAINT FORM TO THE TEXAS DEPARTMENT OF SAVINGS AND MORTGAGE LENDING, [2601 NORTH LAMAR, SUITE 201, AUSTIN, TEXAS 78705](#). COMPLAINT FORMS AND INSTRUCTIONS MAY BE OBTAINED FROM THE DEPARTMENT'S WEBSITE AT [WWW.SML.TEXAS.GOV](#). A TOLL-FREE CONSUMER HOTLINE IS AVAILABLE AT 1-877-276-5550. THE DEPARTMENT MAINTAINS A RECOVERY FUND TO MAKE PAYMENTS OF CERTAIN ACTUAL OUT OF POCKET DAMAGES SUSTAINED BY BORROWERS CAUSED BY ACTS OF LICENSED MORTGAGE BANKER RESIDENTIAL MORTGAGE LOAN ORIGINATORS. A WRITTEN APPLICATION FOR REIMBURSEMENT FROM THE RECOVERY FUND MUST BE FILED WITH AND INVESTIGATED BY THE DEPARTMENT PRIOR TO THE PAYMENT OF A CLAIM. FOR MORE INFORMATION ABOUT THE RECOVERY FUND, PLEASE CONSULT THE DEPARTMENT'S WEBSITE AT [WWW.SML.TEXAS.GOV](#)., UT #8874117, VA #MC-5962 NMLS ID #7147 ([www.nmlsconsumeraccess.org](#)), WA #7147. 2030 Main Street, Suite #350, Irvine, CA 92614. NMLS Consumer Access: [www.nmlsconsumeraccess.org](#)

