MONEY HOUSE REVERSE

How to Present a Reverse Mortgage

Let’s review the most effective way to educate senior homeowners about the Reverse Mortgage loan.

MONEY HOUSE REVERSE

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Please visit our website at ReverseMH.com to view full program guidelines. The information contained in this webinar may not highlight all requirements of these programs and does not reduce or eliminate any requirements set forth in our guidelines. Guidelines are subject to change without notice.

Agenda

What We'll Cover…

Let's break things down into some bite-sized components or ingredients needed to successfully present the HECM Reverse Mortgage to borrowers. #1 understand the loan, #2 understand how to present it.

The Product

- The loan intro (What is a Reverse)
- Is a Reverse safe?
- What are the protections?
- What are the advantages?
- What are the qualifications?
- What are the costs & fees?
- When is the loan due?
- What options do family members have?
- Overview: Pros & Cons
- The paperwork

The Presentation

- Before you present
- Initial Interest – First Contact
- Getting to the kitchen table
- At the kitchen table
- Typical conversations
- Helpful Info to share
- FAQs
- Dealing with concerns
- Marketing
- Why Money House

What is a Reverse Mortgage?

Formally called a HECM reverse mortgage, the “Home Equity Conversion Mortgage” was developed and is regulated by the FHA and HUD government agencies, to help U.S. homeowners, age 62 and older, access the equity in their homes.

IMPORTANT DIFFERENCES BETWEEN A HECM LINE OF CREDIT AND A HELOC

	HELOC	HECM LOC
Unused portion grows every month		✓
Cannot be frozen or reduced		✓
Ongoing monthly payments	✓	
Predefined due date	✓	
Non-recourse loan		✓
Mandated pre-loan counseling		✓

It’s called a reverse mortgage because of the way the loan works, where instead of the borrower paying back the lender for money borrowed, the lender pays the borrower money based on the equity in the home. Since it’s inception, HECM reverse mortgages have helped millions of U.S. homeowners access their home equity when traditional HELOC loans, typically requiring a significant and steady income source, were not a viable option.

Are Reverse Mortgages Safe?

Yes, they are!

Although HECM reverse mortgages had a negative stigma prior to the 2008 mortgage meltdown, that was based on under-regulated practices. Since then, that perception has changed due to strict lending regulations, loan oversight and safeguards to ensure the safety of borrowers from unfair, or irresponsible marketing and lending practices.

Borrowers are never set up to fail, or to default on their loan obligations that could result in foreclosure. Non adherence to these new laws can now result in multimillion dollar fines and in some cases jail time for lenders. Thus, making it a much safer loan option than ever.

As with any loan, the possibility of default does still exist with a HECM reverse mortgage, but it literally requires the borrower to neglect paying their property tax, home insurance, HOA dues (if required) or failure to maintain the home to a livable standard.

Consumer Protections

What makes the reverse mortgage safe?

- ✓ Reverse Mortgages are Non-Recourse Loans
- ✓ Non-Borrowing Spouse (< 62) is now protected!
- ✓ All FHA HECM's are insured through the Federal Housing Administration (FHA)
- ✓ Borrowers have no limit as to how long they can stay in the home
- ✓ Education – counseling is required before the process can start
- ✓ Safeguards – Mortgage Insurance Premium (MIP) ensures the amount owed on the loan can never be more than the value of the home at the time of sale. This protects the borrower and the Estate.
- ✓ Estate can always buy the home at loan maturity at 95% of the current value; regardless of what is owed.

What are the Advantages?

- ✓ **No monthly mortgage** payment is ever required*
- ✓ **Borrower(s) retain Title** to the home
- ✓ No limitations to how the borrower may use the funds
- ✓ No pre-pay penalty – make payments if you want (I/O)
- ✓ **Funds are tax free**
- ✓ Homeowners keep all future appreciation, no equity sharing
- ✓ Credit line growth rate
  - ✓ Unused available funds grow at ½% rate over the interest being charged
  - ✓ Guaranteed regardless of future equity position
- ✓ Borrowers should look at home equity as asset allocation that is accessible

*Property Tax, Homeowner's Insurance, HOA and Maintenance must be maintained by borrower

What are the Qualifications?

To participate in the reverse mortgage home loan, borrowers, their home and financial profile must meet certain eligibility criteria set forth by HUD and FHA guidelines. Below is a list to help explain the criteria.

- ✓ The primary borrower must be at least 62 years old, if married and spouse is under 62, they will be included as a non-borrowing spouse.
- ✓ The subject property must be the borrower's primary residence, where they occupy the home for at least six months per year.
- ✓ There must be sufficient equity in subject property. The amount of equity required may vary based on the lender or the specific loan program chosen to participate in.
- ✓ Borrowers with an existing mortgage balance, should be aware that it will be paid off with the proceeds from the reverse mortgage at closing.
- ✓ All loans are underwritten based on a financial assessment process that assures they have the ability to maintain continued payments of property taxes, homeowner's insurance, HOA dues if applicable and other maintenance related expenses throughout the life of the loan. In some instances, part of the loan proceeds will be set aside and reserved for paying these obligations.
- ✓ The borrower(s) must attend a required counseling session with a HUD-approved counselor who reviews the pros and cons of a reverse mortgages, discusses alternatives, and reviews the requirements for eligibility.

What are the Costs & Fees?

The costs and fees are important to understand while presenting information to help borrowers decide if a reverse is right for them. As with any financial product, there are fees associated with this loan.

- ✓ **Origination Fee** – This fee pays for the processing of the loan application, which includes underwriting, appraisal, title search and closing costs. HUD guidelines specify a 2% fee of the maximum claim not to exceed 6K of the total loan amount. This translates to $3,000 on a $150,000 reverse mortgage loan. it's important to remember that it covers the costs of the loan. As a one-time fee, it is typically rolled into the loan balance, therefore not paid out of pocket.
- ✓ **Mortgage Insurance Premiums (MIPs)** – Required on all HECM reverse mortgages, the upfront insurance premium protect both the borrower and the lender by ensuring that the loan can be repaid even if the home's value declines or if the loan balance ever exceeds the home's value. The MIP is equal to 2% of the home's appraised value or the FHA lending limit, whichever is less. On a $500,000 home, the MIP would be $10,000. There is an additional 0.5% annual MIP accrued is on the unpaid balance and is not paid until the end of the loan
- ✓ **Interest Rates and Fees** – Interest rates on reverse mortgages can be fixed or adjustable and may be different than traditional mortgage rates because the loan balance is not being paid down, over time, which results in compounding interest.

When is the loan due?

- ✓ When the borrower(s) no longer occupy the residence - (death, move out)
- ✓ If the borrower(s) fail to maintain property, pay the property taxes, homeowners Insurance
- ✓ Failure to reside in the subject property for 12 months
- ✓ When the borrower(s) convey Title to someone else
- ✓ When the borrower(s) sell the home

What are the Family’s Options?

At Loan Maturity, the family has the following options available:

- ✓ **Sell the home** – satisfy the reverse mortgage – retain remaining equity
- ✓ The estate can **buy back the home** at 95% of the home value at loan maturity
  - ✓ Great option if the home is “upside down”
- ✓ **Deed In Lieu** - Servicer takes responsibility
  - ✓ Great option if the family has no interest in the property “upside down”

✓ Non-Recourse Loan! The borrower or Estate will never owe more than the value of the home.

Recap the pros and cons?

Pros

- ✓ **Access to Home Equity** – An alternative to HELOC loans.
- ✓ **Tax-Free Income** – Funds received are not subject to income taxes.
- ✓ **No Monthly Principal and Interest Payments*** – Property taxes, insurance, HOA and maintain fees must be maintained.
- ✓ **Flexible Funds Disbursement** – With several options to choose from.
- ✓ **Non-Recourse Loan -** The borrower or Estate will never owe more than the value of the home.

Cons

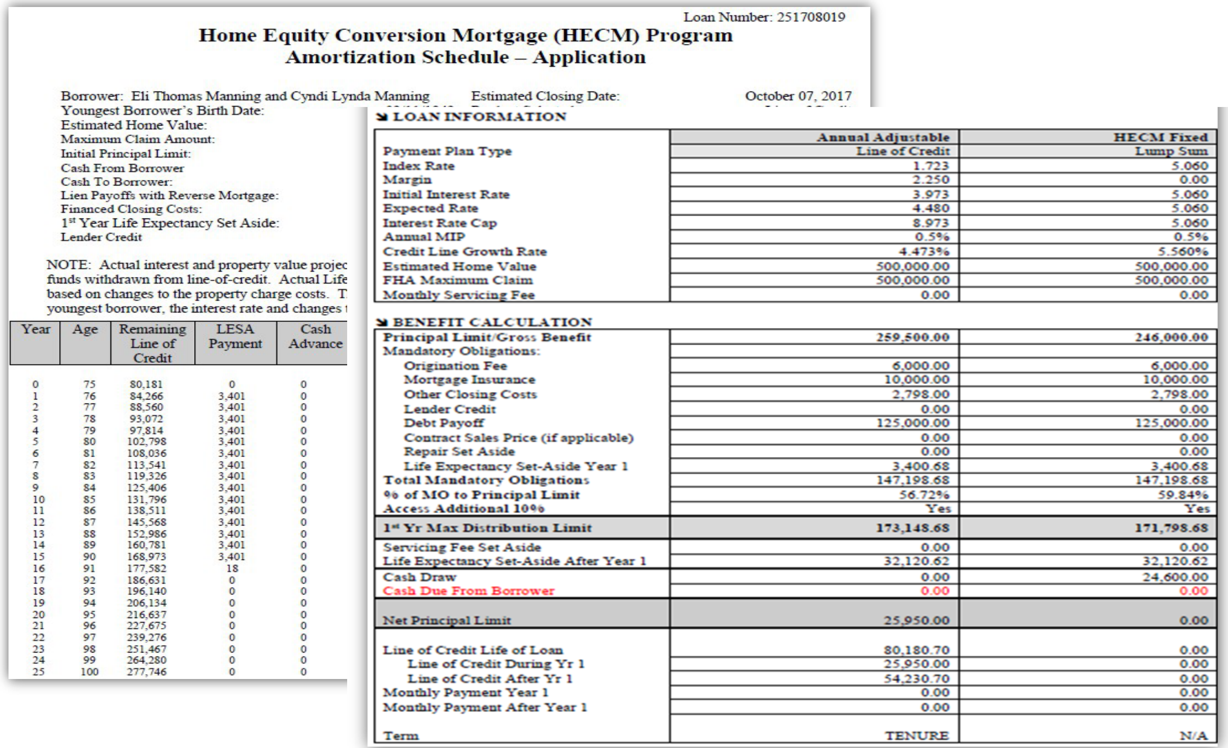
- ✓ **High Cost & Fees** – Upfront fees can include origination fees, mortgage insurance premiums, and closing costs.
- ✓ **Interest Accrues** – Interest on a reverse mortgage loans accrue over time and is added to the loan balance.
- ✓ **Reduction of Equity** – Over time the balance grows reducing the amount of equity available potentially limiting the option for selling or refinancing in the future.

*Property Tax, Homeowner's Insurance, HOA and Maintenance must be maintained by borrower

The Documentation

In this section we present the documents you should get familiar with in order to help you explain the loan process to the borrower.

You will find:



Loan Number: 251708019

Home Equity Conversion Mortgage (HECM) Program
Amortization Schedule – Application

Borrower: Eli Thomas Manning and Cyndi Lynda Manning   Estimated Closing Date: October 07, 2017
Youngest Borrower's Birth Date:
Estimated Home Value:
Maximum Claim Amount:
Initial Principal Limit:
Cash From Borrower
Cash To Borrower:
Lien Payoffs with Reverse Mortgage:
Financed Closing Costs:
1st Year Life Expectancy Set Aside:
Lender Credit

NOTE: Actual interest and property value projec
funds withdrawn from line-of-credit. Actual Life
based on changes to the property charge costs. T
youngest borrower, the interest rate and changes t

Year	Age	Remaining Line of Credit	LESA Payment	Cash Advance
0	75	80,181	0	0
1	76	84,266	3,401	0
2	77	88,560	3,401	0
3	78	93,072	3,401	0
4	79	97,814	3,401	0
5	80	102,798	3,401	0
6	81	108,036	3,401	0
7	82	113,541	3,401	0
8	83	119,326	3,401	0
9	84	125,406	3,401	0
10	85	131,796	3,401	0
11	86	138,511	3,401	0
12	87	145,568	3,401	0
13	88	152,986	3,401	0
14	89	160,781	3,401	0
15	90	168,973	3,401	0
16	91	177,582	18	0
17	92	186,631	0	0
18	93	196,140	0	0
19	94	206,134	0	0
20	95	216,637	0	0
21	96	227,675	0	0
22	97	239,276	0	0
23	98	251,467	0	0
24	99	264,280	0	0
25	100	277,746	0	0

LOAN INFORMATION

	Annual Adjustable	HECM Fixed
Payment Plan Type	Line of Credit	Lump Sum
Index Rate	1.723	5.060
Margin	2.250	0.00
Initial Interest Rate	3.973	5.060
Expected Rate	4.480	5.060
Interest Rate Cap	8.973	5.060
Annual MIP	0.5%	0.5%
Credit Line Growth Rate	4.473%	5.560%
Estimated Home Value	500,000.00	500,000.00
FHA Maximum Claim	500,000.00	500,000.00
Monthly Servicing Fee	0.00	0.00

BENEFIT CALCULATION

Principal Limit/Gross Benefit	259,500.00	246,000.00
Mandatory Obligations:		
Origination Fee	6,000.00	6,000.00
Mortgage Insurance	10,000.00	10,000.00
Other Closing Costs	2,798.00	2,798.00
Lender Credit	0.00	0.00
Debt Payoff	125,000.00	125,000.00
Contract Sales Price (if applicable)	0.00	0.00
Repair Set Aside	0.00	0.00
Life Expectancy Set-Aside Year 1	3,400.68	3,400.68
Total Mandatory Obligations	147,198.68	147,198.68
% of MO to Principal Limit	56.72%	59.84%
Access Additional 10%	Yes	Yes
1st Yr Max Distribution Limit	173,148.68	171,798.68
Servicing Fee Set Aside	0.00	0.00
Life Expectancy Set-Aside After Year 1	32,120.62	32,120.62
Cash Draw	0.00	24,600.00
Cash Due From Borrower	0.00	0.00
Net Principal Limit	25,950.00	0.00
Line of Credit Life of Loan	80,180.70	0.00
Line of Credit During Yr 1	25,950.00	0.00
Line of Credit After Yr 1	54,230.70	0.00
Monthly Payment Year 1	0.00	0.00
Monthly Payment After Year 1	0.00	0.00
Term	TENURE	N/A

- ✓ Fixed vs. Adjustable Loan Comparison
- ✓ The Amortization Schedule
- ✓ List of Counselors

Loan Comparison

LOAN INFORMATION

	Annual Adjustable	HECM Fixed
Payment Plan Type	Line of Credit	Lump Sum
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Margin	2.250	0.00
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BENEFIT CALCULATION

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Mandatory Obligations:		
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Mortgage Insurance	10,000.00	10,000.00
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Debt Payoff	125,000.00	125,000.00
Contract Sales Price (if applicable)	0.00	0.00
Repair Set Aside	0.00	0.00
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Life Expectancy Set-Aside After Year 1	32,120.62	32,120.62
Cash Draw	0.00	24,600.00
Cash Due From Borrower	0.00	0.00
Net Principal Limit	25,950.00	0.00
Line of Credit Life of Loan	80,180.70	0.00
Line of Credit During Yr 1	25,950.00	0.00
Line of Credit After Yr 1	54,230.70	0.00
Monthly Payment Year 1	0.00	0.00
Monthly Payment After Year 1	0.00	0.00
Term	TENURE	N/A

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Amortization Schedule

Loan Number: 251708019

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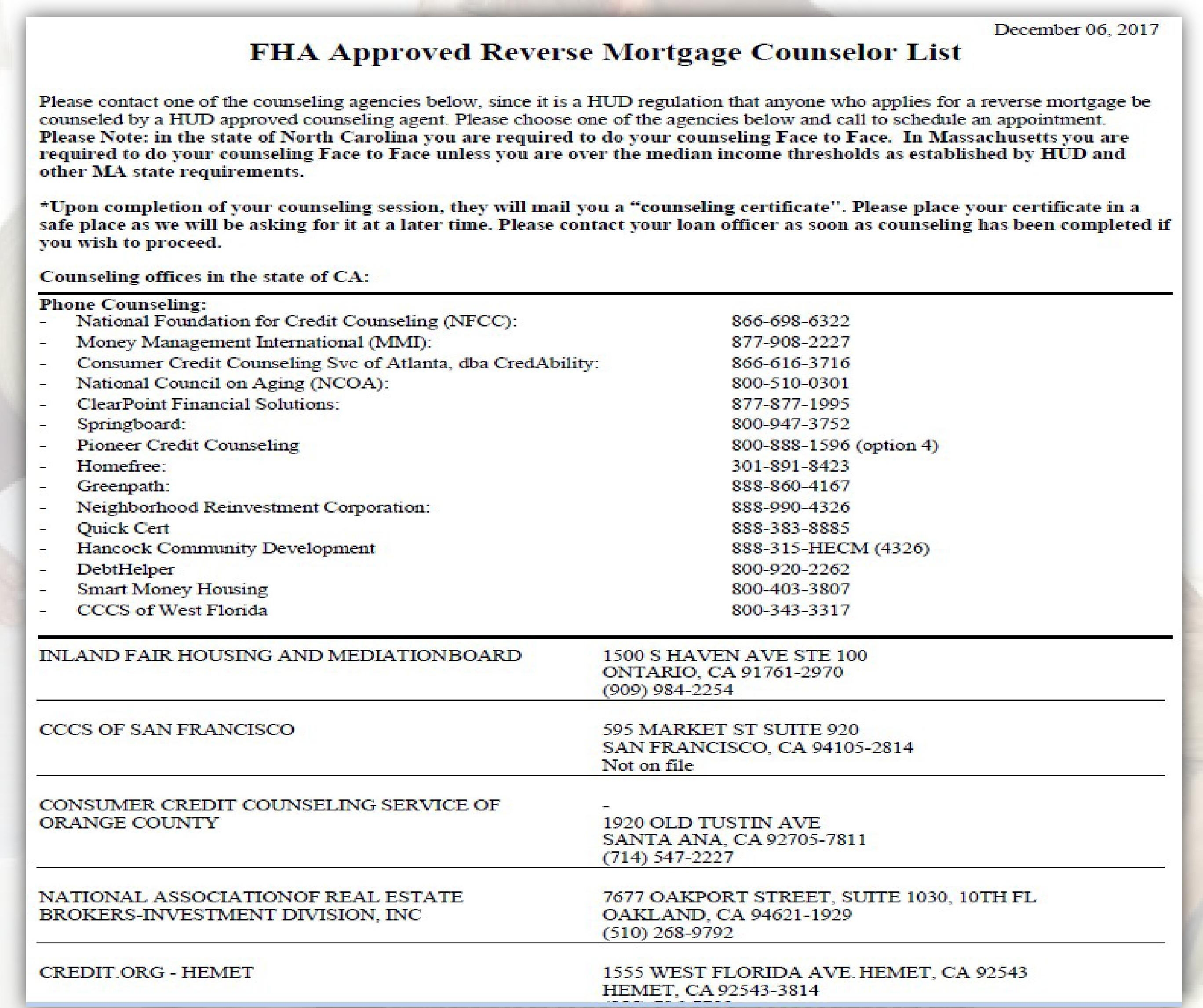
Amortization Schedule – Application

Borrower: Eli Thomas Manning and Cyndi Lynda Manning		Estimated Closing Date:	October 07, 2017
Youngest Borrower's Birth Date:	09/11/1942	Product Selected:	Line of Credit
Estimated Home Value:	500,000.00	Initial / Expected Interest Rate:	3.973% 4.480%
Maximum Claim Amount:	500,000.00	Appreciation:	4.00%
Initial Principal Limit:	259,500.00	Ongoing Mortgage Insurance (MIP)	0.5%
Cash From Borrower	0.00	Monthly Servicing Fee:	0.00
Cash To Borrower:	0.00	Monthly Payment:	0.00
Lien Payoffs with Reverse Mortgage:	125,000.00	Initial Line of Credit:	25,950.00
Financed Closing Costs:	18,798.00	Repair Set Aside:	0.00
1st Year Life Expectancy Set Aside:	3,400.68	Net Life Expectancy Set Aside:	0.00
Lender Credit	(0.00)	Beginning Mortgage Balance:	143,798.00

NOTE: Actual interest and property value projections may vary from amounts shown. Available credit will be less than projected if funds withdrawn from line-of-credit. Actual Life Expectancy Set-aside payments may increase or decrease from the amounts shown based on changes to the property charge costs. The Actual Life Expectancy Set-aside Balance may vary depending on the age of the youngest borrower, the interest rate and changes to the property charge costs. The projections are for illustrative purposes only.

Year	Age	Remaining Line of Credit	LESA Payment	Cash Advance	Service Fee	Interest + MIP	LESA Balance	Loan Balance	Home Value	Remaining Equity
0	75	80,181	0	0	0	0	35,521	143,798	500,000	356,202
1	76	84,266	3,401	0	0	7,370	33,888	154,568	520,000	365,432
2	77	88,560	3,401	0	0	7,918	32,171	165,887	540,800	374,913
3	78	93,072	3,401	0	0	8,495	30,367	177,783	562,432	384,649
4	79	97,814	3,401	0	0	9,101	28,470	190,285	584,929	394,644
5	80	102,798	3,401	0	0	9,738	26,478	203,424	608,326	404,902
6	81	108,036	3,401	0	0	10,408	24,383	217,233	632,660	415,427
7	82	113,541	3,401	0	0	11,111	22,182	231,745	657,966	426,221
8	83	119,326	3,401	0	0	11,851	19,869	246,996	684,285	437,288
9	84	125,406	3,401	0	0	12,628	17,438	263,025	711,656	448,631
10	85	131,796	3,401	0	0	13,445	14,883	279,870	740,122	460,252
11	86	138,511	3,401	0	0	14,303	12,198	297,574	769,727	472,154
12	87	145,568	3,401	0	0	15,205	9,376	316,179	800,516	484,337
13	88	152,986	3,401	0	0	16,153	6,410	335,733	832,537	496,804
14	89	160,781	3,401	0	0	17,149	3,293	356,283	865,838	509,556
15	90	168,973	3,401	0	0	18,196	18	377,880	900,472	522,592
16	91	177,582	18	0	0	19,254	0	397,152	936,491	539,339
17	92	186,631	0	0	0	20,236	0	417,388	973,950	556,562
18	93	196,140	0	0	0	21,267	0	438,655	1,012,908	574,253
19	94	206,134	0	0	0	22,351	0	461,006	1,053,425	592,419
20	95	216,637	0	0	0	23,489	0	484,495	1,095,562	611,067
21	96	227,675	0	0	0	24,686	0	509,181	1,139,384	630,203
22	97	239,276	0	0	0	25,944	0	535,125	1,184,959	649,834
23	98	251,467	0	0	0	27,266	0	562,391	1,232,358	669,966
24	99	264,280	0	0	0	28,655	0	591,047	1,281,652	690,606
25	100	277,746	0	0	0	30,115	0	621,162	1,332,918	711,756

Counseling Guidelines & List



December 06, 2017

FHA Approved Reverse Mortgage Counselor List

Please contact one of the counseling agencies below, since it is a HUD regulation that anyone who applies for a reverse mortgage be counseled by a HUD approved counseling agent. Please choose one of the agencies below and call to schedule an appointment. **Please Note: in the state of North Carolina you are required to do your counseling Face to Face. In Massachusetts you are required to do your counseling Face to Face unless you are over the median income thresholds as established by HUD and other MA state requirements.**

***Upon completion of your counseling session, they will mail you a "counseling certificate". Please place your certificate in a safe place as we will be asking for it at a later time. Please contact your loan officer as soon as counseling has been completed if you wish to proceed.**

Counseling offices in the state of CA:

Phone Counseling:

- National Foundation for Credit Counseling (NFCC):	866-698-6322
- Money Management International (MMI):	877-908-2227
- Consumer Credit Counseling Svc of Atlanta, dba CredAbility:	866-616-3716
- National Council on Aging (NCOA):	800-510-0301
- ClearPoint Financial Solutions:	877-877-1995
- Springboard:	800-947-3752
- Pioneer Credit Counseling	800-888-1596 (option 4)
- Homefree:	301-891-8423
- Greenpath:	888-860-4167
- Neighborhood Reinvestment Corporation:	888-990-4326
- Quick Cert	888-383-8885
- Hancock Community Development	888-315-HECM (4326)
- DebtHelper	800-920-2262
- Smart Money Housing	800-403-3807
- CCCS of West Florida	800-343-3317

INLAND FAIR HOUSING AND MEDIATIONBOARD	1500 S HAVEN AVE STE 100 ONTARIO, CA 91761-2970 (909) 984-2254
CCCS OF SAN FRANCISCO	595 MARKET ST SUITE 920 SAN FRANCISCO, CA 94105-2814 Not on file
CONSUMER CREDIT COUNSELING SERVICE OF ORANGE COUNTY	- 1920 OLD TUSTIN AVE SANTA ANA, CA 92705-7811 (714) 547-2227
NATIONAL ASSOCIATIONOF REAL ESTATE BROKERS-INVESTMENT DIVISION, INC	7677 OAKPORT STREET, SUITE 1030, 10TH FL OAKLAND, CA 94621-1929 (510) 268-9792
CREDIT.ORG - HEMET	1555 WEST FLORIDA AVE. HEMET, CA 92543 HEMET, CA 92543-3814

Before you present, here are some helpful hints to consider

- ✓ Do you like dealing seniors? It's an important question to ask yourself because, if not, presenting the information may test your patience, off-putting your borrower.
- ✓ You must get to know the borrower to understand and be sensitive to their situation.
- ✓ Seniors will not share until you show you care. Take time to develop comfort and trust.

- ✓ Know what you are talking about because knowledge wins the deal.
- ✓ Remember, it's a presentation, not a close.
- ✓ Get the family and key people involved as early as possible.
- ✓ Meeting in person is important to developing a trusting relationship.
- ✓ Paperwork in person is crucial, but if you cannot be there for the signing send a notary for the app / disclosures
- ✓ The FHA Counseling is not there to convince them for you.

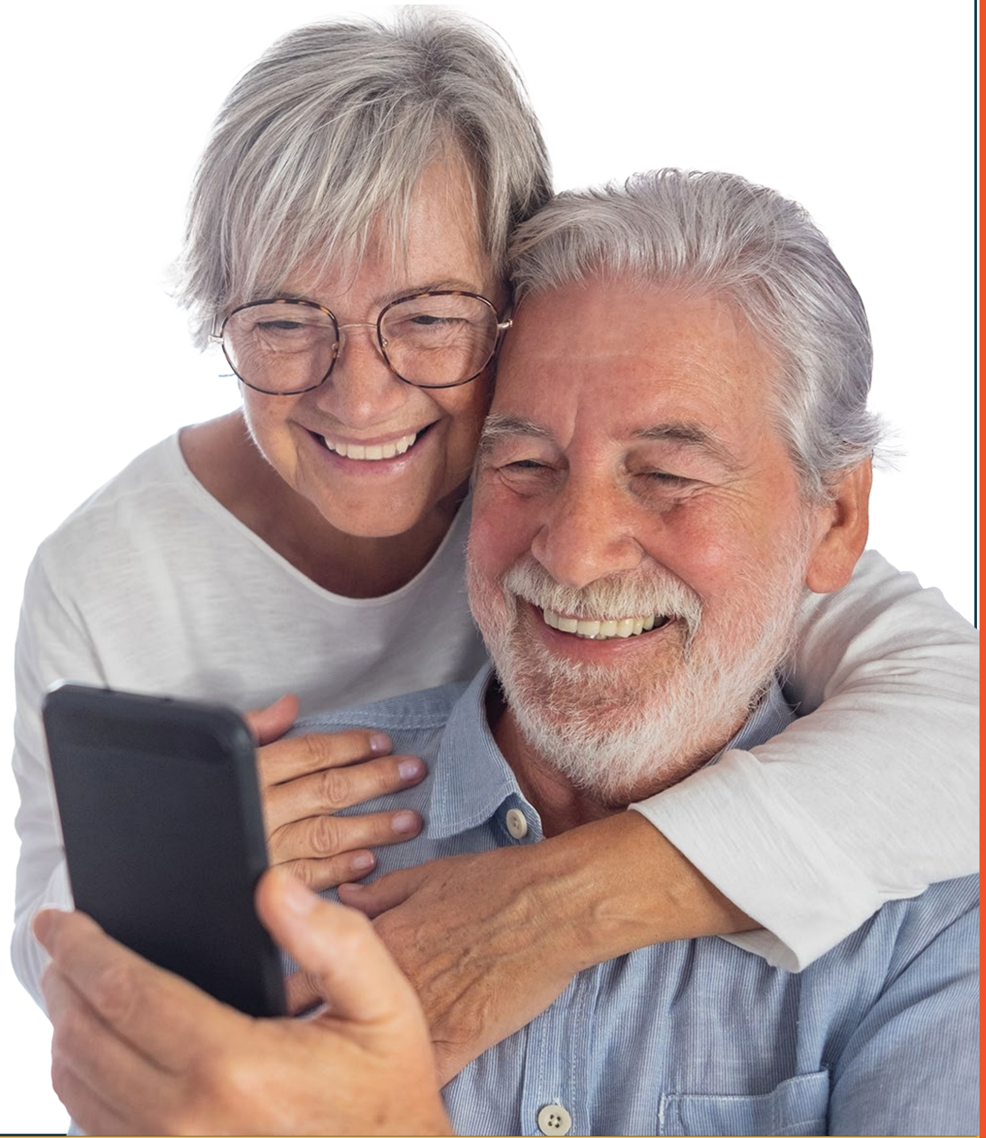
Initial Interest – First Contact

Begin working without numbers!

How much you qualify for, AKA the loan amount, depends upon:

- ✓ The value of the home
- ✓ The youngest borrower and the prevailing rate
- ✓ The lending matrix (LTV) is determined by FHA / HUD

You do not have to own the home free and clear, but you need a lot of equity, ball park is 40-60% depending upon age.



Initial Interest – Be Honest - Be Direct

It's a loan. It allows you to continue living in your home without the worry of a monthly mortgage payment* freeing up that money for other uses, like the one's you have shared with me. The loan does have interest and it does grow. However, you and your family have some great protection built into this program. As long as you pay your property tax, home owner's insurance and maintain the property there's little to no risk of foreclosure.
Once you see some figures as they relate to your personal situation, I think you will be pleasantly surprised… Let's meet in person!

*Property Tax, Homeowner's Insurance, HOA and Maintenance must be maintained by borrower

Getting to the Kitchen Table

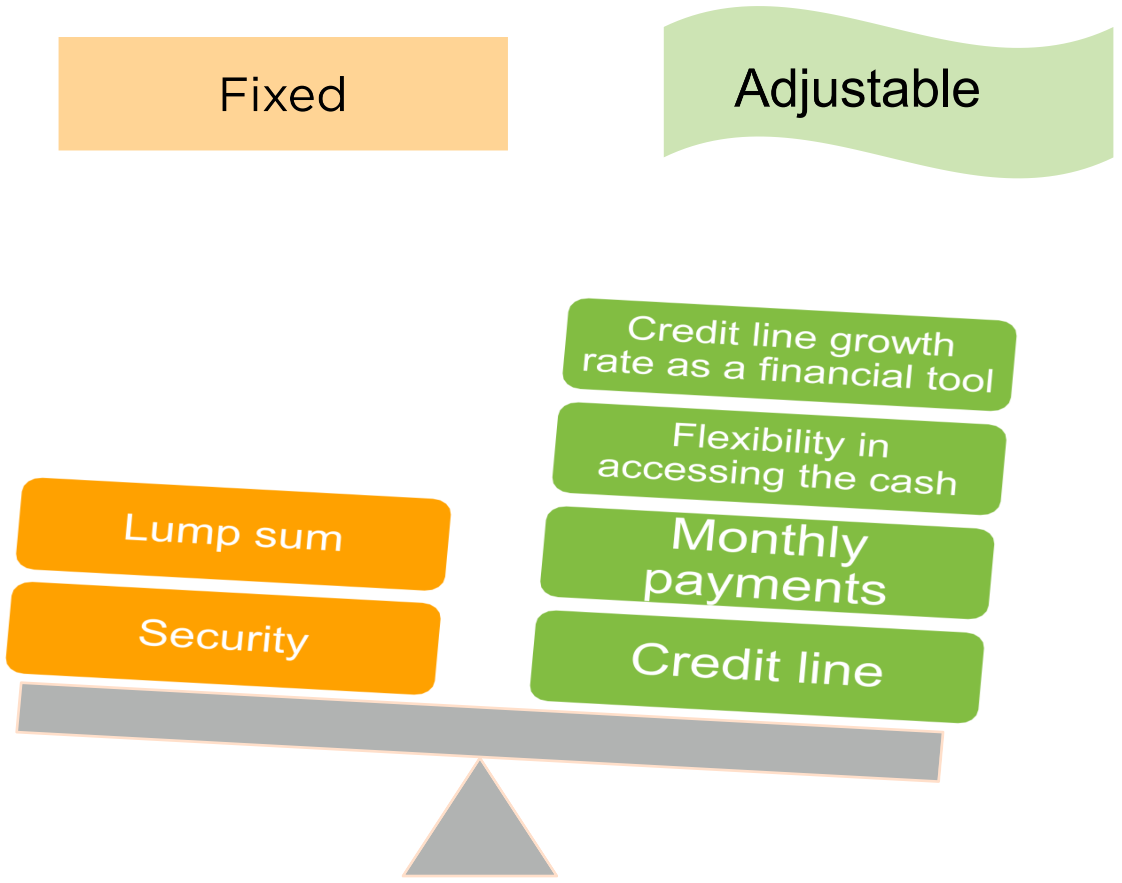
- ✓ Initial contact made
- ✓ Get to know the borrowers
- ✓ Understand their needs
- ✓ Include their adult children
- ✓ Earn their trust
- ✓ Appease any fears they have
- ✓ Explain how it works
- ✓ Answer their questions
- ✓ Support their decisions

At the Kitchen Table

At this point in the process, you should know what type of program your client desires.

Fixed rate is a great option for borrowers looking for one big payout and the consistency of a set interest rate.

Adjustable rate is a great option for borrowers looking for flexibility in how they access the cash available, higher initial amount available, and credit line growth potential.



At the Kitchen Table

I always start by asking a basic question to the entire group, even though I may have already addressed these with the borrower.

What do you know or what have you heard about reverse mortgages?

I allow everyone at the table a chance to reply before I address all the questions. The responses are often incorrect and fearful in nature. Hopefully you can address these items on the phone and then repeat them again in person.

At the Kitchen Table

It's a good idea to involve any adult children as early in the process as possible (assuming the borrower wants to). This ensures everyone is on the same page and consolidates the amount of time spent presenting the information.

- ✓ Children typically have their parent's best interest at heart
- ✓ Children want to see their parent(s) retire at ease
- ✓ Family dynamics can be difficult Power of Attorney is not uncommon
- ✓ Senior financial fraud is usually a family member using a POA

Typical Conversations to Expect

Borrower: I've heard bad things! They are bad and people lose their homes.

Originator: First - You never give up Title. Second - If you pay your property taxes and homeowner's insurance, maintain the home as your primary residence and maintain general maintenance, then the lender has no reason to call the loan due. Actually, these are the only instances the lender can call the mortgage due. You may have heard that someone was foreclosed on; it most likely a result of not paying their property taxes over a few years. So, if you are a responsible homeowner, you'll be just fine.

Borrower: But widows have been foreclosed on when their husbands passed on.

Originator: That is true, it was a very big problem with the program and was corrected in early 2015.
Now, all spouses must be accounted for in the underwriting of a reverse mortgage. The problem has been corrected and is behind us.

Typical Conversations to Expect

Borrower: Why is it so expensive? Such high fees, it's crazy…

Originator: The fees are higher than a conventional loan. The main reason for that is the MIP (Mortgage Insurance) which goes to FHA. FHA insures your loan and your protections. There is a cost associated with this. The other charges are normal in nature. Origination fee, Title, Escrow, Appraisal, Counseling, etc. round it out. I will have a full cost benefit for you to help you determine if you think this is "worth it." Typically, these charges are rolled into the loan and your only upfront fee is the appraisal.

Borrower: Ok, I get this wonderful loan, great, but then you guys take the house at the end and I wanted to leave something for my family as an inheritance. It is all that is left.

Originator: "It is a mortgage so the lender does not "take the house". Having no equity left can happen, but in most instances, it does not. I will show you an amortization schedule to help you and your family better understand what the family's equity in the home will potentially look like all the way out to your 100th birthday. Most borrowers are pleasantly surprised to see that equity can be maintained.

Typical Conversations to Expect

Borrower: Yes. So, I get this loan, but when I die, how long until my kids have to sell the house, etc.

Originator: Great question. Your Note indicates maturity is immediate, the next day. However, the servicer just wants to communicate with the family on intent (buying the house, selling it, etc.). Servicers typically grant 3 months initially and extensions as needed depending upon the circumstances. If there is no response from your family or estate, they will foreclose to recoup their loan proceeds. Foreclosing is really the last thing they want to do – it's very expensive.

Borrower: How long does the loan process take? I heard they can take forever!

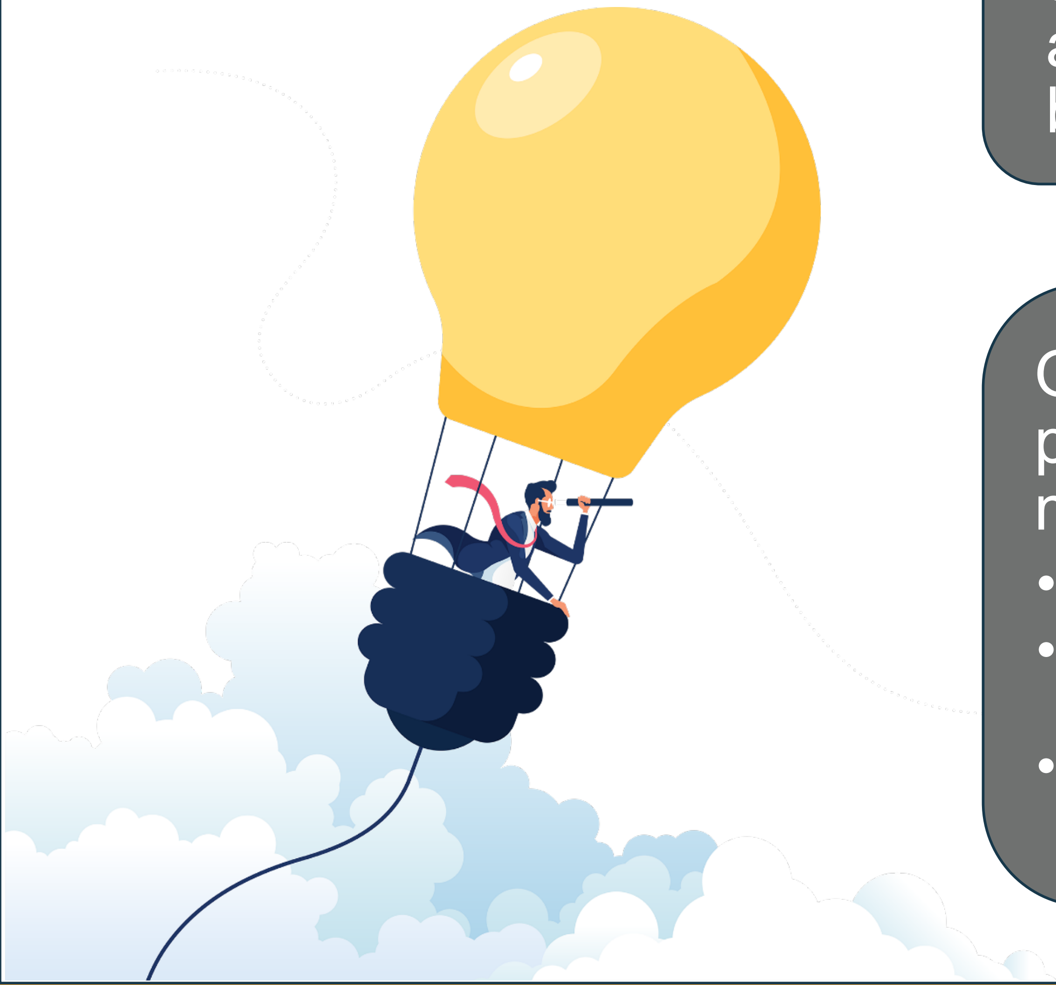
Originator: Not true! Most loans can be finalized in 30 – 45 days. Much of this timeline is dependent upon you.

- ❑ Scheduling the counseling (1 - 2 days typically).
- ❑ My return to you with a formal application and disclosures.
- ❑ Getting all the required documents.
- ❑ Appraisal and Underwriting by the Lender.

Helpful Info to Share…

We pay off your existing mortgage; you no longer have to make a mortgage payment*. Interest does accrue on the loan balance and it does grow each month; meaning your loan balance gets bigger.

*Property Tax, Homeowner's Insurance, HOA and Maintenance must be maintained by borrower



One item seldom talked about is that you can, if you want, make principal payments each month to slow the growth of the mortgage; entirely optional.

- Principal payments can be made with funds going back in the LOC for future access
- Interest Tax Deduction: If you are not making payments, you will not receive a 1098 form from your reverse lender with interest paid.**
- If you make mortgage payments, you will receive a 1098 Mortgage statement with interest paid.

**Consult with a Tax professional

Helpful Info to Share…

You can access your loan proceeds through a number of different options: cash at close, monthly payment schedule or a credit line to access as needed. Most common is some cash out at closing and then leaving the remaining proceeds on a line of credit to access when needed. These options are flexible, can be combined and changed at a later date.

You / your family / Estate will never owe more on the reverse loan than the value of the house; meaning, there will never be reverse mortgage debt passed on to your heirs, estate or even yourself should you desire to leave. This is a very important protection feature referred to as a “non-recourse loan” and is designed to protect you and your family.

If you decide to sell your home in the future and there is equity, you keep it. There is no equity sharing with the lender. When I run numbers for you, the models will give you some estimates of your home’s equity position in the years to come, you keep it “just like with any other mortgage.”

Identifying and Dealing with Concerns

Understanding the borrower's motivation is important, and asking questions like: "Why are you considering this loan?" will allow you to address any misconceptions, fears, ignorance, and false rumors.

Find out immediately if the borrower's (family) has any fears surrounding this product. Ask them, "What do you know or what have you heard about reverse mortgages?" Addressing their presumptions will allow you to move forward with confidence while promoting you as the authority and the professional with the "right" answers.

Do not leave "anything" out, cover all the bases, because correct and complete information wins their business!!

By focusing on the protections offered with the HECM program you will usually defeat 90% of the misconceptions and fears they may have

We always present both programs, but once the client expresses their preference we will focus on the numbers as they pertain to the client, sticking with the basics (rates, fees, cash available (cash in hand), no mortgage payment*!

Worse case scenario – No Equity Left. Best case scenario – Equity Left along with immediate relief and lifestyle change

Look at the Amortization in terms of 3, 5, 7, 10+ years from now and tie in the product benefits as you go.

*Property Tax, Homeowner's Insurance, HOA and Maintenance must be maintained by borrower

FAQ's

Questions	Answers
How do we get access to our funds?	Contact the loan servicer to request money
Do I get a monthly statement?	Absolutely, Yes!
When do I receive my payments?	First business day of the month.
Can my kids access the funds?	Not unless you set up and have a POA that is approved
How long does this process take?	Typically, 4-6 weeks.
Who is responsible for taxes and insurance?	You are responsible
Can I get an impound / escrow account?	*We can set up an escrow account (LESA).
Can I get my funds wired?	Direct deposit is recommended.
What happens if I take a really long trip?	As long as this is your primary residence a long trip is ok. You will sign a Verification of Occupancy on an annual basis

*Note indicates it is due immediately. Industry standard is six months with extensions given when needed and approved.

Knowledge Review

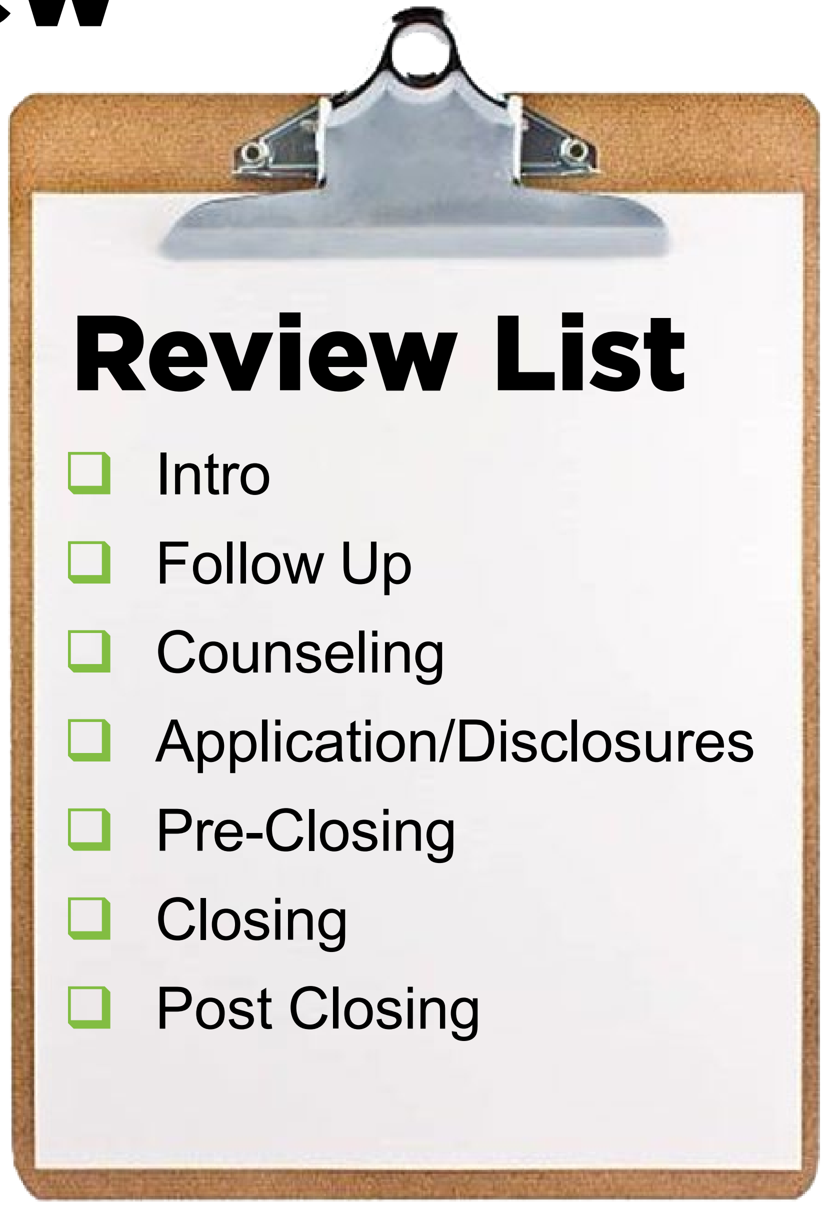
Remember: Be Patient!
Most people, even mortgage professionals, need this program explained to them 4+ times due to the specific requirements and options.

That's why teaching clients about the HECM Reverse Mortgage loan should begin as soon as possible, the earlier the better.

You will be able to tell how well your borrower understood the information you have presented by the quality and quantity of questions they had and the length of the discussions required to ensure they are well informed.

To improve your presentation skills, be sure to keep notes on each presentation. Track the things that worked and areas you felt could have gone better.

Consistency and repetition are the key to long term success!



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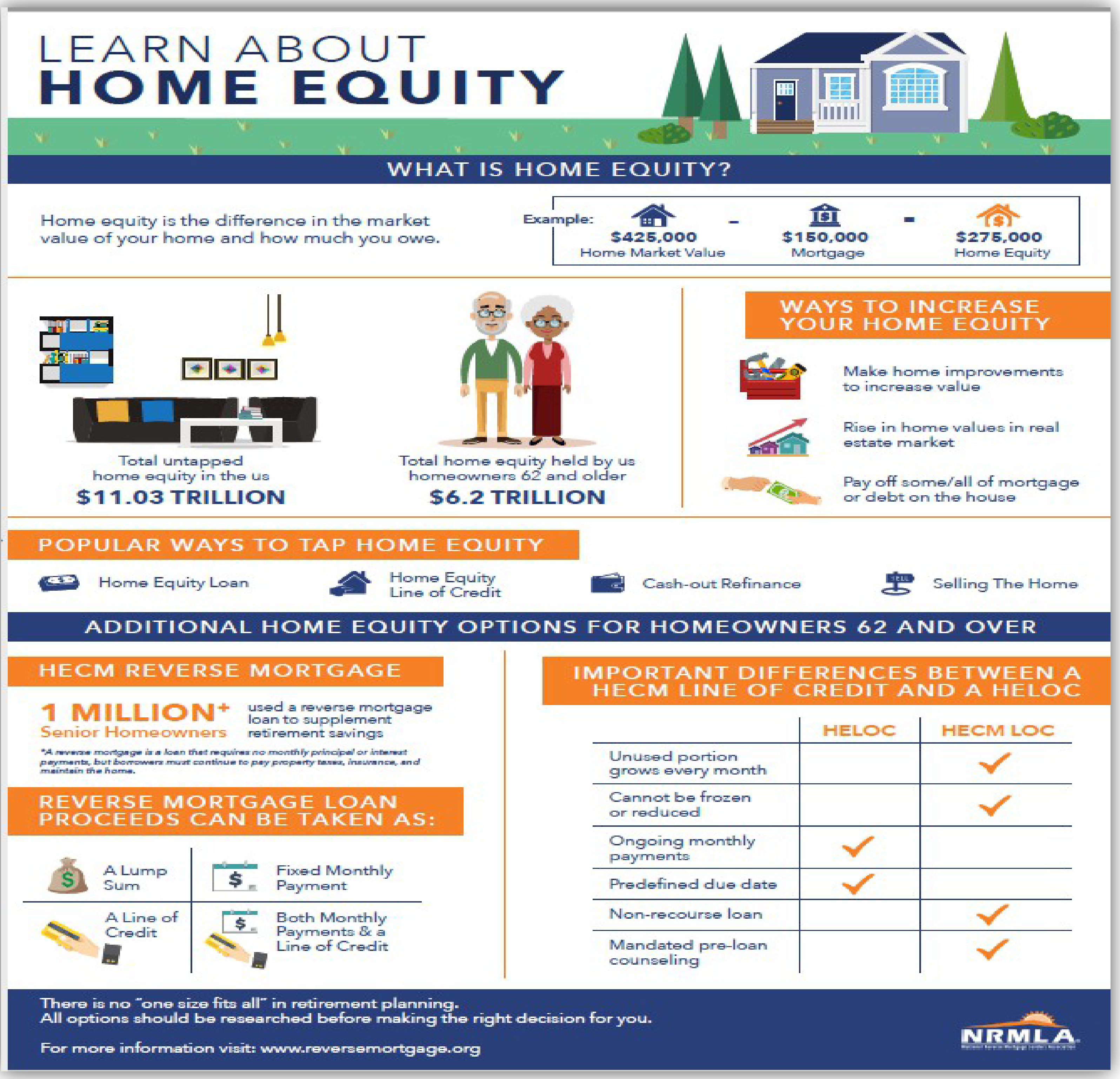

Why Money House…

- ✓ Typical closing time is +/-4 weeks
- ✓ We have the “forward originator” in mind Dedicated staff and operations just for this niche product
- ✓ Ginnie Mae Issuer and Servicer HMBS No retail platform to compete against you
- ✓ 100% Broker/Correspondent
- ✓ Your AE is still your AE
- ✓ Tremendous support
- ✓ Your success is our success!

MONEY HOUSE REVERSE

Why Money House?

"I've been in the loan business for over 30 years and this product is **life changing** for the borrower. It's a lot of paperwork to sort through, but it is worth it because of the **benefits to the client**. Thanks again for all your hard work on this file."

- A comment from one of our Brokers

Other Reverse Training Available

The Money House is pleased to offer additional on demand Reverse training on topics including:

- ✓ Rapid Reverse:
  - ✓ Getting a Reverse Mortgage Pre-Qual and working with Money House
  - ✓ Understanding LTV
- ✓ Reverse Mortgage Basics for Financial Planners
- ✓ Using a Reverse Mortgage to Purchase a Home

MONEY HOUSE REVERSE

Thank You for Attending!

We appreciate your interest in learning how to present the HECM Reverse Mortgage to qualified borrowers. We hope you will take the time to call upon us with questions about our Reverse program and to provide you with HECM support and products going forward…….

Let's GO REVERSE

Chris Munson

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