

HECM ADVANTAGES

If you're 62 or older and meet eligibility requirements*, a HECM can help you:



Build a "rainy day fund" for future health care costs



Supplement your living expenses, home and auto repairs



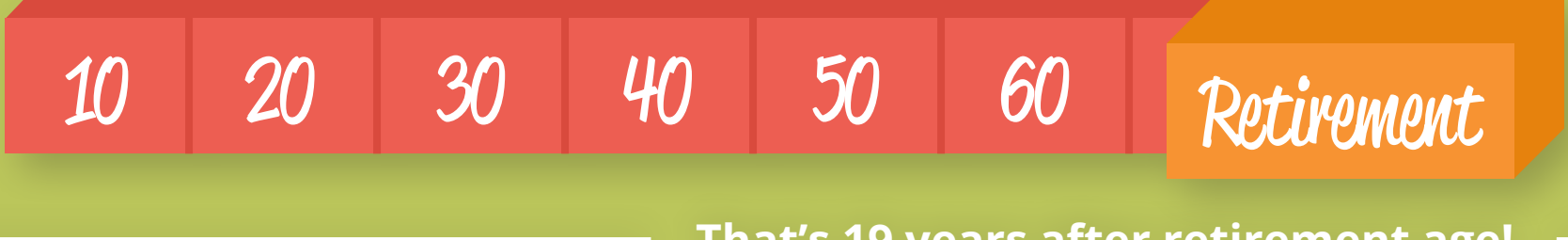
Live a more active lifestyle



Buy a new home

WHY SHOULD I CONSIDER A HECM?

Seniors are living longer than ever. In fact, a 65-year-old American can expect to live to 84.



That's 19 years after retirement age!

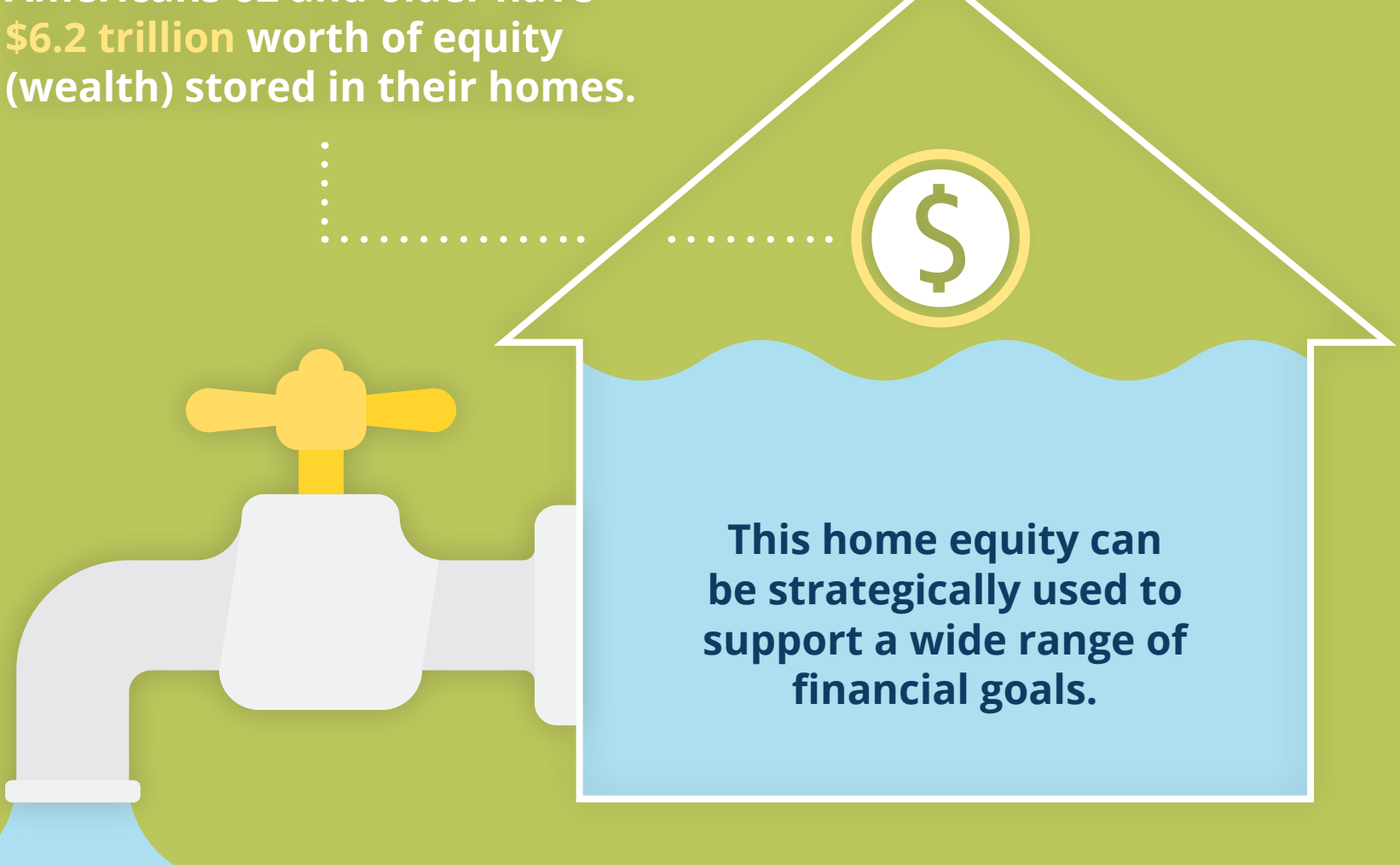
Households aged 65 - 74 have an average of

\$148,000
(or \$649 to draw on monthly)

in savings

Many senior households could use additional ways to maintain financial stability.

Americans 62 and older have \$6.2 trillion worth of equity (wealth) stored in their homes.



This home equity can be strategically used to support a wide range of financial goals.

HECM PAYOUT METHODS

Line of Credit
A stand-by line of credit to access when you need funds.

Term Payments
Fixed monthly payments for a specified timeframe.

Modified Term / Line of Credit
Establishing a line of credit and receiving fixed monthly payments for a specified amount of time.

Tenure Payment
Fixed monthly payments for as long as you live in the home.

Modified Tenure/Line of Credit
Establishing a line of credit and receiving fixed monthly payments for as long as you live in the home.

Lump Sum Disbursement
Drawing up to 60% of available funds at close of escrow in one lump sum. The remaining 40% can be drawn after 12 months.

BUY A NEW HOME USING A HECM FOR PURCHASE



Using HECM for Purchase (H4P), you can purchase a new home with approximately 50% down. Following your down payment and loan closing, you'll have no mortgage payments as long as you live in the home.**

If you're eligible and want to move into a new home, H4P can offer you:



Greater home purchasing power



The ability to move into a home that better fits your needs



The opportunity to move to a different part of the United States



Reduced out-of-pocket expenses from not having a monthly mortgage payment*



The ability to retain more of your life savings

*To be eligible for a HECM, the following requirements must be met:

- At least one borrower must be 62 or older (In Texas all borrowers must be 62 or older)
- Have 50% or greater equity in your home
- Be able to pay for ongoing property charges including property taxes, homeowners insurance, and HOA fees
- Be able to maintain Your home
- Live in the home - if you're absent from the home for more than 12 months, the HECM must be paid off
- Receive HECM counseling from a third party counselor prior to obtaining the loan

**To be eligible for the for H4P, the following requirements must be met:

- At least one borrower must be 62 or older (In Texas all borrowers must be 62 or older)
- You must only use the mortgage on your primary residence (vacation homes are ineligible)
- The money used for the down payment must come from checking, savings, investments, gifts or an existing house sale (it cannot come from money acquired through debt)
- You must be able to maintain the home and pay property taxes, HOA fees and homeowner insurance

SOURCES:

- <https://www.cdc.gov/nchs/data/haus/haus15.pdf#015>
- <http://www.gao.gov/products/GAO-15-419>
- <https://www.nrmlaonline.org/2017/03/31/home-equity-grows-170-7-billion-older-homeowners>

