



Introduction to Reverse Mortgages...

A [reverse mortgage](#) is a loan that allows you to access a portion of the available equity in your home. The proceeds from the loan may be *tax-free and you choose how you spend these proceeds. One of the benefits of a reverse mortgage is that you can continue to live in your home **with no monthly mortgage payments.**

[Here's a flexible solution that helps you enjoy a stable retirement](#)

Designed for homeowners age 62 and older, a reverse mortgage lets you:

- Access a portion of your available home equity whenever you need it and use it in a variety of ways.
- Continue to live in your home with no monthly mortgage payments.
- Retain the title to your home.
- Finance most of the loan's fees so there are minimal out-of-pocket expenses.
- Choose how you want to receive your loan proceeds: lump sum, monthly installments, a line of credit or a combination of these options.
- Access additional loan proceeds with an annual credit-line increase (amount varies by product).
- Buy a new home.

[Click Here](#) to learn more about Reverse Mortgage Basics or call us **Toll Free (800) 565-1722**

*(*Not intended to be tax advice, please consult a tax advisor, payment of property taxes and your homeowner's insurance are still required)*

How do you know if you qualify?

At **All Reverse Mortgage Company®**, we're committed to making the reverse mortgage process simple. Loan approval is determined by several factors.

To be eligible:

- All borrowers must be titleholders and age 62 or older.
- You must have equity in your home.
- You do not need to own the home free and clear, but any existing loans/liens must be paid off at closing with the reverse mortgage proceeds or another acceptable source of funds.
- Your home must be a single family home, a 2–4-unit home, a condominium, a planned unit development (PUD) or a modular home. Manufactured homes are eligible in some circumstances. Mobile homes are not eligible. Your ALLRMC specialist can help you determine if you have an eligible property type.

With a reverse mortgage, you can eliminate debt, help take care of everyday expenses, or for any other purpose you desire.

[Click Here](#) to use our online reverse mortgage calculator or call us **Toll Free (800) 565-1722**

A reverse mortgage from **All Reverse Mortgage Company®** gives you the freedom to use the loan proceeds for the things you need — it's your decision.

- Pay off an existing mortgage or other debts.
- Cover medical care, prescriptions and long-term care expenses.
- Purchase a new home (down payment required).
- Modify your home for better accessibility.
- Make home improvements and repairs.

Your responsibilities as a borrower

When you get a reverse mortgage from **All Reverse Mortgage Company®**, you still own your home. This means you must continue to pay real-estate taxes and maintain an acceptable amount of property insurance, including flood insurance where necessary. Additionally, you are responsible for the general maintenance and upkeep of your home. If you wish and have them available, you can pay for these expenses with loan proceeds from your reverse mortgage.

Potential effect on taxes, insurance and government aid

A reverse mortgage may affect your tax status and/or your eligibility for government aid programs. Also, your eligibility to participate in any real estate tax deferral program offered by your city or county may be affected. For additional information about your specific situation, we recommend contacting a tax professional or a [HUD-approved counselor](#) and government benefit administrative offices.

Property taxes

When you get a reverse mortgage, you still own your home and are responsible for all property-tax payments. You may use the proceeds from a reverse mortgage to help make these payments. It is very important that you keep your taxes current because the loan may become due if they are not paid.

Government Aid Programs

Reverse mortgages do not affect entitlement programs such as Medicare. However, certain need-based government aid programs, such as [Supplemental Security Income](#) (SSI) and [Medicaid](#), may be affected. We recommend that you consult your Medicare, Social Security or Medicaid program administrator to determine the specific rules.

Insurance

Since you own your home, you continue to be responsible for maintaining an acceptable amount of property insurance, including flood insurance where necessary.

Understanding loan maturity and repayment

Here are a couple of illustrations meant to be used as examples only.

Circumstances that could cause your loan to become due

With a reverse mortgage from All Reverse Mortgage, you do not have to make monthly mortgage payments as long as you live in your home. Your loan remains active as long as you live in the home as your primary residence, retain the title to your property, and do not reside elsewhere for 12 consecutive months. You must maintain your home in good condition and continue to pay ongoing property insurance premiums and all applicable property taxes or assessments, including homeowners' association charges. In the event these and other conditions are not met, it may cause your loan to become due and payable in full.

Loan amount owed

When the loan balance becomes due and payable, your home may be re-appraised to determine its current market value. Based on the appraised market value and the outstanding loan balance, a few scenarios are possible and featured on next page.

Loan Amount Owed — Customer Scenarios

You or your heirs decide to sell the home

Scenario 1

If the loan balance is less than the appraised home value or sale price, you or your heirs only owe the loan balance. As a result, you or your heirs keep the difference between the sale price and the loan balance, less sales costs.

Consider this example: When Sandra gets a reverse mortgage from All Reverse Mortgage, her home is appraised at \$300,000, and she is eligible to receive \$150,000. After many years, Sandra decides to sell her home. At this time, her home is appraised at \$350,000. Based on her withdrawals and accrued interest, the loan balance is \$250,000. Sandra sells the home for \$350,000 and is only responsible for paying the loan balance of \$250,000. She keeps the remaining proceeds of \$100,000 (calculated as the sale price of \$350,000 minus the current loan balance of \$250,000), less sales costs.

Scenario 2

If the loan balance is greater than the appraised home value, you or your heirs will only owe the appraised home value or all proceeds from the sale.

Consider this example: When Pat gets a reverse mortgage from All Reverse Mortgage, her home is appraised at \$200,000, and she is eligible to receive \$100,000. After many years, Pat passes away. At this time, her home is appraised and sold at \$215,000. Based on her withdrawals and accrued interest, her loan balance is now \$225,000. Pat's heirs sell the home for \$215,000 and pay off the loan. Nothing more is due.

You or your heirs decide to keep the home

If you decide to keep your home and payoff your loan, then you would have to repay the entire outstanding balance, regardless of the home's value. However, if your heirs decide to keep the home after the last borrower passes, then the heirs would be responsible to pay the lesser of the outstanding balance or 95% of the current appraised value.

Paying off your loan balance

There are two basic ways you can pay off your loan balance:

- Selling the home and using the proceeds from the sale.
- Using other sources of funding, including checking and savings accounts, investments and brokerage funds, sale of real-estate assets or funds from a new mortgage on the home.

A reverse mortgage from All Reverse Mortgage lets you make payments on all or part of the loan balance at any time. There are no prepayment penalties. If you prepay any portion of an adjustable rate mortgage without paying the loan in full, those funds would be available to borrow again. Fixed rate loans are "closed end instruments" which means that any portion of the proceeds repaid early cannot be re-borrowed.

Fees associated with a reverse mortgage

There are fees associated with a reverse mortgage product, many of which are similar to those you would pay for a first mortgage. Certain fees may be financed with the loan so you'll have minimal out-of-pocket expenses. Fees will vary depending on which reverse mortgage product you choose.

Below is a summary of the fees you can expect.

Origination fee - A fee paid at origination that covers operating expenses to set up the loan. Not all programs carry origination fees and not all origination fees are the same.

Mortgage insurance - The borrower will be charged a mortgage insurance premium (MIP) to reduce the risk of loss to the Department of Housing and Urban Development (HUD) or the lender in the event that the outstanding balance, including the accrued interest, MIP and fees, exceeds the value of the property at the time the mortgage is due and payable. On the Standard products this will always be 2% of the property's appraised value or the HUD Lending Limit, whichever is less.

Closing Costs - A fee paid at origination, including all third-party-vendor costs. Closing costs may include an appraisal, title search, flood certification, title insurance and flood insurance where necessary.

Interest rates

All Reverse Mortgage offers two types of interest rates which present benefits to accommodate a variety of individual needs. A fixed rate provides the predictability of an interest rate that will not change during the course of the loan.

An adjustable rate is an open-end credit loan that offers the flexibility to pay down the balance and redraw proceeds or simply draw a little at a time in multiple draws. Interest will accrue on any loan proceeds you borrow and any fees you finance. A reverse mortgage loan officer can provide you with the most current rate information and further explain the rates and fees associated with a reverse mortgage from All Reverse Mortgage.

Is a reverse mortgage right for you?

In this guide, we've explained the benefits of a reverse mortgage. However, we encourage you to assess your current and future situations to determine your needs and then research all possible solutions.

When a reverse mortgage may not be the best solution

It's important to understand situations in which a reverse mortgage may not be the best solution for your needs. Here are some reasons why a reverse mortgage may not be right for you:

- You are considering moving within a few years.
- You want to leave your home to your heirs, and they will not/cannot pay back the loan balance with other funds or financing.
- Even with the reverse mortgage, you cannot afford the costs and upkeep of the home (taxes, insurance, maintenance, etc).

Discuss your decision with your family

As you gather information, All Reverse Mortgage recommends discussing your decision with your family, especially your heirs and other close relatives. Below are a few topics that you may want to discuss:

- Staying in your home
- Maintaining financial independence
- Retaining the title to your home
- Loan-repayment requirements
- Estate planning and inheritance
- Impact on government aid

Discuss reverse mortgage products with professionals

When considering a reverse mortgage, it may be helpful to speak with professionals about this type of loan. Listed below are some professionals and topics you may want to discuss with them when deciding whether to get a reverse mortgage.

SOURCE RELEVANT TOPICS

Income taxes, tax deductions, capital gains tax, property taxes Estate planning, tax planning, Retirement planning.

Talk with a third-party counselor

Before moving forward with a reverse mortgage application, you will need to talk to an independent third-party HUD-approved counselor. The counselor will make sure you fully understand your options.

Understanding the loan process

Step 1 - Before you apply, it is important to discuss reverse mortgage products with family, friends and trusted advisors. Once you have determined that a reverse mortgage is an option for you, and then it's time to speak to your All Reverse Mortgage Company Reverse Mortgage Specialist. They will provide you with a list of local HUD approved counselors and any other documents that may be required for counseling, including state specific documents.

Step 2 - Next, you will speak with an independent third-party HUD counselor, who will review the reverse mortgage product and documents with you to make sure you understand how reverse mortgage products work and explain your alternatives. The session typically lasts at least an hour and may be conducted in person or over the phone (some states require in-person counseling). The cost of counseling varies and will be determined by the counselor.

Step 3 - After you have an appointment for counseling, we can coordinate your application so that you receive it about the same time you receive the required Counseling Certificate from the counseling agency. All Reverse Mortgage Company cannot order any of the necessary services until the counseling certificate has been signed and returned to us. When we receive your application and signed certificate, all services will be ordered, such as an appraisal, title review and flood determination. You will need to provide proof of flood insurance where required.

Step 4 - An appraiser will visit your home and assess its exterior and interior condition, as well as compare the property to other homes recently sold in your area. As part of the application process, your reverse mortgage application package contains a form for you to supply your credit card number that will be used pay to the full cost of the appraisal. Once complete, your reverse mortgage specialist will provide you with your appraised home value, as well as a copy of your appraisal and confirm the amount of loan proceeds you are eligible to receive.

Step 5 - Once you have met all the conditions of the loan, a closing date and location will be scheduled that is convenient for you, most times right in your home. A document signing agent will present all of the necessary

loan documents for you to sign and your loan specialist will be available if you still have any questions. After all of the documents are signed, you will have three business days to cancel the loan, should you decide to do so. The day you sign, Sundays and holidays are not counted in the cancellation period.

Step 6 - After the completion of a three-business-day right to cancel period, you can receive the loan proceeds you requested. If you still have any questions about the availability of future funds, your reverse mortgage specialist will be happy to review any remaining funds available to you and the options available to you to access them.

Questions & answers

Q: What is a reverse mortgage?

A reverse mortgage is a home loan that allows you to access a portion of your available home equity and use the proceeds, which may be tax-free (not intended to be tax advice, please consult a tax advisor, payment of property taxes is still required), for the things you need. With this type of loan, no monthly mortgage payment is required for as long as you continue to live in the home or until a maturity event occurs.

Q: Who is eligible for a reverse mortgage from All Reverse Mortgage? To be eligible, all borrowers must be titleholders of the property and age 62 or older.

Q: What types of homes are eligible?

Single-family, 2–4 unit homes, modular, planned unit development (PUD) and condominium homes are eligible. Manufactured homes may be eligible (please consult your reverse mortgage specialist). The property must be your primary residence.

Q: What if I have an existing mortgage?

You are eligible for a reverse mortgage product even if you have an existing balance on your mortgage. However, the existing mortgage balance must be paid off at closing. You can choose to pay off the balance with proceeds from the reverse mortgage or another source. If you owe more on your current mortgage than you are eligible for with your reverse mortgage, you may still choose to pay off the difference to eliminate monthly payments.

Q: How much of my home's equity can I access?

Loan amounts vary based on the reverse mortgage product chosen, the age(s) of the borrower(s), the appraised market value of the home, HUD lending limits and current interest rates. Generally, the more valuable your home is, the older you are and the lower the interest rates, the more you may be eligible to receive (up to maximum lending limits).

Q: Will I still own my home?

Yes. However, to keep from having the loan being called due and payable, the taxes and insurance or assessments, including homeowners association charges must be paid timely, the home must be maintained in good condition, it must remain at least one borrower's primary residence, and you cannot reside elsewhere for 12 consecutive months.

Q: Are there homeowner's insurance and property tax requirements?

Yes. It is your responsibility to maintain an acceptable amount of property insurance, including flood insurance where necessary. You are also responsible for paying your ongoing property taxes.

Q: What are the costs for reverse mortgage products from All Reverse Mortgage?

Costs for reverse mortgages vary based on the secondary market and the individual products (just like a first mortgage). They can include origination and processing fees, third-party closing costs and possibly a monthly servicing fee and mortgage insurance premium. Many of these costs can be financed with the loan, and may vary depending upon which product you select. There can also be a counseling fee. However, many times many of the products are offered without some or all of these fees and your reverse mortgage specialist can go over current market conditions products to determine costs for each program at the time you are ready to proceed.

Q: How can I use the loan money I receive?

You can use the loan proceeds for the things you need, such as to make home improvements, pay off medical expenses (including in-home care) or unexpected expenses. It's your money and you can use it for any purpose you desire. All Reverse Mortgage Company offers no other financial services and therefore will never try to sell you any ancillary products or services.

Q: Can I use the loan proceeds from a reverse mortgage to purchase a home?

Yes. Depending on which product you select, you can use the proceeds to purchase a home. You will be responsible for making a down payment equal to the difference between the value of the home and the amount of

financing you receive. You will not have to make monthly reverse mortgage payments while you live in the home or until a maturity event occurs. There are very explicit reverse mortgage purchase guidelines that your specialist will help you and your real estate agent follow to be certain the transaction qualifies for the financing.

Q: Are the proceeds I receive taxable?

Loan advances from a reverse mortgage are not taxable income. This means the proceeds you receive may be taxfree, and your income-tax bracket should not be affected (not intended to be tax advice; please consult a tax advisor; payment of property taxes is still required).

Q: How will I access the available proceeds from my reverse mortgage?

You can choose to receive your loan proceeds in a single lump sum or regular monthly installments, draw from a line of credit at your discretion or any combination of these options.

Q: Will I have to make monthly payments?

No. You are not required to make monthly reverse mortgage payments until the loan is due. However, you can make payments anytime you choose. There is never a pre-payment penalty of any kind for making a payment so you may choose to use your reverse mortgage as a planning tool if this works well for you.

Q: When will the loan become due?

Your loan remains active as long as you live in the home as your primary residence, retain the title to your property, and do not reside elsewhere for 12 consecutive months. You must maintain your home in good condition and continue to pay ongoing property insurance premiums and all applicable property taxes or assessments, including homeowners' association charges. In the event these and other conditions are not met, it may cause your loan to become due and payable in full.

Q: Will my heirs or I have to sell my home when the loan becomes due?

When the loan matures, you or your heirs will have to repay the amount owed. You always have the option paying off the entire balance and keeping the home (which can also be done by obtaining a standard mortgage) or selling the home to pay off the balance. Your heirs also have the added protection of having the option of paying off the balance or 95%

of the current appraised value if the loan balance exceeds current market values.

Q: Who will help me through this process?

An All Reverse Mortgage reverse mortgage specialist will guide you through every step of the application process.

- ✓ The team of professionals at All Reverse Mortgage Company is dedicated to you and Reverse Mortgages. We employ individuals with many years of experience and are passionate about the product and the good it has done for the borrowers we serve. We believe in ones right to age in dignity and at home if that is their desire. When asked if we would ever advise one of our own relatives to get a reverse mortgage, we proudly state that we have helped several family members obtain their own reverse mortgages.
- ✓ Our processors hold the HUD “DE” designation, for Delegated Underwriter, due to their experience underwriting and insuring FHA forward and reverse loans, they know the product “backward and forward”. Our entire staff worked tirelessly with our customers to get approvals on housing projects previously thought un-approvable, to modify existing terms when needed and to close some loans in just days to avoid foreclosure sales.
- ✓ Because of the depth of our knowledge and experience, we have been able to do many loans previously denied by some of the biggest reverse mortgage lenders in the nation. There is only one HUD HECM program and all lenders are subject to the same HUD rules...so the specialists with the broadest experience and the greatest willingness to help their borrowers have the ability to get the most loans through in the quickest timeframe.
- ✓ Because of our dedication to this product and our belief in the rights of our borrowers to receive quick and honest answers to all your questions, we commit to the utmost in service levels while answering all your questions and maintaining constant and open communication. Furthermore, our commitment is to you and your reverse mortgage - we will never try to sell you any other financial products. Finally, we will never pressure you for a decision and our

goal is to make certain that your ultimate decision is the one that is right for you!

[Click Here](#) to start the process or call us **Toll Free (800) 565-1722**

Additional Resources:

Recommended Reading...

- [Financial Independence with a Reverse Mortgage »](#)
- [Examine the Pros & Cons »](#)
- [FAQ's »](#)

Information from other trusted parties...

- Federal Housing Administration [HUD.gov website](#)
- National Reverse Mortgage Lenders Association [NRMLA website](#)