

1. If I get a reverse mortgage, that means the bank holds title to my home.

False. Title does not get transferred into the bank's name. Throughout the life of the loan, you own your home.

2. Even though I have done my research on reverse mortgages and fully understand the product, I still have to obtain reverse mortgage counseling.

True. All programs require independent, third party counseling by an approved entity, which includes HUD, Fannie Mae or Financial Freedom for the Cash Account product.

3. I am not allowed to hold title in my trust.

False. The lending institutions will allow you to hold title in your trust as long as you meet all of the lender's and/or HUD's guidelines.

4. If I decide to sell my home, the bank will make me pay back the loan and will collect a portion of the appreciation.

False. The lender will only collect the amount that is due to them. If the loan balance is larger than the home value, the lender will only collect the proceeds from the sale. You can never owe more than what your home is worth.

5. If I don't want to pay my taxes and insurance, the lender can set aside a portion of the loan funds and pay them for me.

True. If you would like to impound the taxes and insurance, depending upon the lender, they can arrange that for you.

6. I must have good credit to qualify for a reverse mortgage.

False. The lender will run a credit report for tax and federal liens. All recorded liens must be paid off and property taxes must be paid current at the time of closing so the lender can take first position.



Reverse Mortgage True or False

7. My house must be in prime condition if I am to be considered for a reverse mortgage.

False. The lender requires that the home meet certain guidelines. If you are considering a Home Equity Conversion Mortgage, it must also meet HUD's requirements. You may also qualify for a repair set-aside if work needs to be done on your home. Check with your lender for more information.

8. I am allowed to change my payment plan after the close of escrow.

True. You may contact the servicing department and make arrangements to change your plan for a small fee.*

9. The only homeowners that get a reverse mortgage are seniors who can't afford to make their monthly mortgage payments.

False. We have found that seniors will use the money to go on vacation, buy a new car, remodel their home, pay for their grandchildren's education, buy another home, or just to feel secure in their golden years.

10. The older I am, the more money I can get from a reverse mortgage.

True. A senior that is 80 may receive more money than a 62 year old senior. The loan amount is based off of age, home value, and life expectancy.

**For TX, please make sure to check with your lender on current options available.*



All Reverse Mortgage Company / Toll Free (888) 801-2762

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