



Reverse Mortgage Market Currently at \$4.3 Trillion, Less than 1% Penetrated, According to the NRMLA/Hollister Reverse Mortgage Market Index

-- Reverse Mortgage Market Index rises to 205.6, as a result of a Senior Home Equity Increase of \$19B in First Quarter --

Washington, DC – June 28, 2007 – Americans age 62 or older hold an estimated \$4.3 trillion of home equity according to the NRMLA/Hollister Reverse Mortgage Market Index (RMMI). Although the reverse mortgage industry has seen tremendous growth in the last five years, only a little more than 300,000 reverse mortgages have been originated in its short history, representing less than 1% market penetration.

The index, launched today by the National Reverse Mortgage Lenders Association (NRMLA) and The Hollister Group is the first market indicator to collect critical market, housing and demographic data, and to track and project the market for reverse mortgages.

“The idea of using home equity to finance retirement is becoming increasingly main stream even among the current generation of seniors who have traditionally been debt averse,” said Peter Bell, President of National Reverse Mortgage Lenders Association (NRMLA). “The RMMI illustrates the significant opportunity for mortgage industry participants as the home increasingly plays a role as a retirement asset.”

In the first quarter 2007 alone, there was a \$19 billion increase in senior home equity. This increase was reflected in a 0.4% increase in the RMMI to 205.6 from 204.7 in the prior quarter. The index will reflect the current value of senior home equity on a quarterly basis.

“As the baby boomers approach retirement age, a larger portion of aggregate US home value will be held by seniors. The current estimated level of \$5 trillion in senior home value could potentially double to exceed \$10 trillion in the next ten years” said Liz Scholz, Managing Director with the Hollister Group in Washington DC.

Interesting observations and statistics from the inaugural launch of the RMMI, include:

- RMMI projects as much as **\$37 trillion in home value by 2030**, from which home equity figures are derived, assuming historical appreciation and taking into account the demographic shift as boomers begin to turn 62;

- The average home equity in a senior-owned household is estimated to be about **\$230,000** according to the Hollister Group;
- While senior home equity has grown each quarter since 2000, growth rates fluctuate dramatically in line with general home price appreciation:
 - Current \$19B growth in **Q1 2007 is the lowest increase of all quarters** from 2000;
 - **2004 and 2005 experienced the strongest growth** in home equity -- \$464 billion and \$600 billion respectively;
 - **Q3 2004 saw the single largest spike** in home equity for any quarter since 2000, adding nearly \$200 billion in home equity.

Reverse mortgages enable seniors age 62 or older to convert a portion of their home equity into tax free cash that can be used for any purpose, such as retirement needs, paying medical bills or achieving other goals.

About NRMLA

National Reverse Mortgage Lenders Association (NRMLA) represents the reverse mortgage industry, serving as an educational resource, policy advocate and public affairs center for lenders and related professionals. NRMLA was established in 1997 to enhance the professionalism of the reverse mortgage business. For more information, visit www.nrmlaonline.org.

About Hollister Group

Hollister Group LLC is a consulting and financial analytics firm with specialization in reverse mortgage products. Hollister provides consulting to the reverse mortgage industry in new market entry, new products, and best execution. The Hollister Group is also supporting the reverse mortgage industry with unique data and analytics. www.hollisterllc.com.

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