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REVERSE MORTGAGES IN A TIME OF CHANGE



PUBLIC RELATIONS

➤ Consumers

- Seniors
- Boomers
- Adult Children



➤ Kindred Professionals

- Financial Services
- Realtors
- Home Care



➤ Media

- Reporters
- Columnists
- Bloggers



➤ Policy Makers

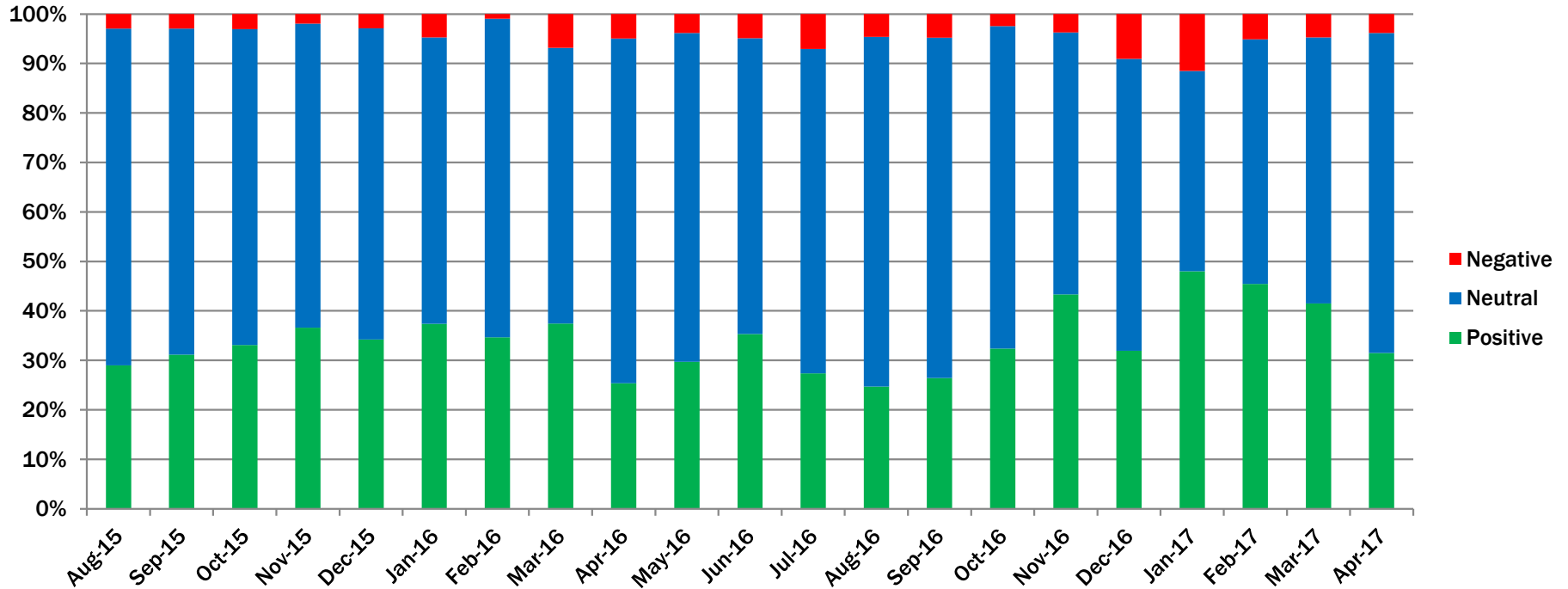
- Regulatory and Legislative
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MEDIA SENTIMENT AUG 2015 – APRIL 2017



NRMLA 2017 Western Regional Meeting: Reverse
Mortgages in a Time of Change



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POST JOBS



The real story on Trump's Treasury pick and reverse mortgages

BY PETER BELL, OPINION CONTRIBUTOR - 01/17/17 07:40 PM EST

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Just In...

The real story on Trump's Treasury pick and reverse mortgages
CONTRIBUTORS — 5M AGO

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ADMINISTRATION — 16M 12S AGO

Senators introduce dueling miners bills
FLOOR ACTION — 20M 37S AGO

Trump: John Lewis got caught in 'a pretty bad lie'
BLOG BRIEFING ROOM — 21M 59S AGO

Before we march on Jan. 21
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Despite 'Hard Brexit', UK will keep trading



© Getty Images

In the reverse mortgage industry, foreclosure and eviction are not synonymous. In fact, foreclosure—but not eviction—is a common resolution for a reverse mortgage loan.

Yet, little distinction has been made between the two terms in news coverage of Treasury Secretary nominee Steven Mnuchin's leadership of OneWest Bank and Financial Freedom, which foreclosed on tens of thousands of mortgages, including more than 16,000 reverse mortgage loans during his tenure.

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- Royal Gazette
- St Louis Post Dispatch
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- TheDay
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- **Washington Post**
- wivb.com
- **Wall Street Journal**
- WTOP

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EDUCATING RELATED PROFESSIONALS

NRMLA NATIONAL REVERSE MORTGAGE LENDERS ASSOCIATION

REVERSE MORTGAGE EDUCATION WEEK

APRIL 24-28



Women and Retirement Security: Challenges and Solutions



Issues Unique to Women

- Earn Less**
Median income of older women is just over \$15,000 as opposed to men at \$28,500.
- Time Away From Work**
60% of U.S. caregivers are women
- Part-time Work**
This means less income and less benefits.
- Less in savings and pensions**
These three factors lead to less money for retirement.
- Live Longer**
Women live longer than men, 47% of women over the age of 65 are single. Compared to only 18% of men.
- Live Alone**
Since women live longer than men, there is a higher chance that they will live alone in retirement.

Using a Reverse Mortgage to Buy a Home



Send questions to realtormagwebcasts@gmail.com

The NRMLA
RM Education Week



EXPERIENCE

"Paying the Bill: Talking to Home Care Clients About Money" **"Live RM Q&A"**

"Silver Divorce" "Expanding Your Product Options"

"A Financial Option for Senior Homebuyers: Understanding HECM For Purchase" **"Aging in an Age Friendly Home"**

online

APR. 24-28, 2017

See website for showtimes

www.nrmlaonline.org



NRMLA
NATIONAL REVERSE MORTGAGE LENDERS ASSOCIATION

**REVERSE MORTGAGE
EDUCATION WEEK**

RECAP & RECORDINGS

Paying the Bill: Talking to Home Care Clients About Money
A Reverse Mortgage Education Week Webinar for In-Home Care Professionals

Next Avenue and NRMLA Present: A Q&A with Certified Reverse Mortgage Professionals
A Reverse Mortgage Education Week Webinar for Next Avenue Readers and Other Interested Consumers

Expanding Your Product Offerings with Reverse Mortgages
A Reverse Mortgage Education Week Webinar for the Mortgage Bankers Association

A Financial Option for Senior Homebuyers: Understanding HECM for Purchase
A Reverse Mortgage Education Week webinar for Real Estate Professionals

Aging in an Age Friendly Home: Managing the Costs of Home Modifications with Home Equity
A Reverse Mortgage Education Week webinar for the American Society on Aging

Silver Divorce: Home Equity Strategies for Separating Spouses
A Reverse Mortgage Education Week webinar for financial advisors and divorce attorneys

Forbes

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The Answers To Mortgage Questions

In a recent Next Avenue webinar, reverse mortgage experts provided this information about how the loans work and who can get them.

MarketWatch



NEWS

6:51 P.M. ET UPDATED Trump asked Comey
6:44 P.M. ET This is the country you should w
5:47 P.M. ET UPDATED AMD lays out plans fo



NEWS VIEWER MARKETS INVESTING PERSONAL FINANCE RETIREMENT ECONOMY REAL ESTATE

00:56:07

UNTIL TOKYO MARKETS OPEN [US Market Snapshot](#) [Currencies](#) [Commodities](#)

Home > Retirement

Everything you need to know about reverse mortgages

Published: May 9, 2017 10:11 a.m. ET



Aa

Experts address common concerns



nextavenue

FOLLOW

The Answers to Common Reverse Mortgage Questions

What experts said at a recent Next Avenue reverse mortgage webinar

April 27, 2017



NEXT AVENUE BLOGGER



By [Richard Eisenberg](#)
Money & Work Editor

You've likely seen the TV commercials for reverse mortgages, with the late Fred Thompson, Henry Winkler and, lately, Tom Selleck. But just between us: Do you really understand how a reverse mortgage works? If not, don't feel bad — in a March 2017 National Council on Aging [survey](#), 66 percent of older homeowners said they'd need to do more research to understand a reverse mortgage line of credit.

Here's how to tap into your home's not-so-hidden potential

Brandpoint (BPT) Apr 24, 2017 (0)



(BPT) - Your most valuable asset is around you all the time. It's above you, it's below you and in many cases you don't realize how much it can do for you.

According to the Urban Institute in Washington, D.C., "Americans have a staggering amount of untapped equity in their homes." How much? Altogether, \$11,030,000,000,000. That's 11 trillion, 30 billion dollars.

Potential Audience = 140 Million

Geographic Distribution

Print Online



CONSUMER RESOURCES

An Introduction to Housing Wealth: What is home equity and how can it be used?



1. What is home equity?
2. How can home equity be extracted and used?
3. What special home equity options are available to senior homeowners?

According to the Urban Institute in Washington, DC, "Americans have a staggering amount of untapped equity in their homes." How much? Altogether, \$11,030,000,000,000. That's 11 trillion, 30 billion dollars! And when we say "untapped," we mean the equity is not currently being *used* or *extracted* by the homeowners.

Despite this huge wealth possessed by home owners, it isn't *liquid*, or usable-- unless you make the effort to extract it. Extracting equity from your home is a means of making this illiquid asset liquid and usable.

Home equity can be both tapped and used in a variety of ways. Which way is most beneficial will depend on the individual circumstances of the homeowner such as age, wealth, financial and family goals, and work or retirement situation.

What Is Home Equity?

But, first, what is home equity?

Home equity can be your greatest financial asset, your largest component of personal wealth, and your protection against life's unexpected expenses.

In "accountant-speak," equity is the difference between the value of an asset and the value of the liabilities against that asset. In the case of home equity, it's the difference between the current market value of your house and the money that you owe on it.

Let's say, for example, your home has a market value of \$425,000, you made a down payment of \$175,000 and you took out a \$250,000 mortgage. At that point your equity is \$175,000:

Home value	\$425,000
Mortgage balance	\$250,000
Home Equity	\$175,000

Now, let's say, ten years later, you have paid off \$100,000 of your mortgage's principal balance. So your

LEARN ABOUT HOME EQUITY



WHAT IS HOME EQUITY?

Home equity is the difference in the market value of your home and how much you owe.

Example: $\text{Home Market Value} - \text{Mortgage} = \text{Home Equity}$

\$425,000 - \$150,000 = \$275,000



Total untapped home equity in the us
\$11.03 TRILLION



Total home equity held by us homeowners 62 and older
\$6.2 TRILLION

WAYS TO INCREASE YOUR HOME EQUITY



Make home improvements to increase value



Rise in home values in real estate market



Pay off some/all of mortgage or debt on the house

POPULAR WAYS TO TAP HOME EQUITY



Home Equity Loan



Home Equity Line of Credit



Cash-out Refinance



Selling The Home

ADDITIONAL HOME EQUITY OPTIONS FOR HOMEOWNERS 62 AND OVER

HECM REVERSE MORTGAGE

1 MILLION* Senior Homeowners used a reverse mortgage loan to supplement retirement savings

*A reverse mortgage is a loan that requires no monthly principal or interest payments, but borrowers must continue to pay property taxes, insurance, and maintain the home.

REVERSE MORTGAGE LOAN PROCEEDS CAN BE TAKEN AS:



A Lump Sum



Fixed Monthly Payment



A Line of Credit



Both Monthly Payments & a Line of Credit

IMPORTANT DIFFERENCES BETWEEN A HELOC AND A HECM LOC

	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		✓


There is no "one size fits all" in retirement planning. All options should be researched before making the right decision for you.

For more information visit: www.reversemortgage.org



CONSUMER RESOURCES

- Reverse Mortgage Self-Evaluation: A Checklist of Key Considerations
- What You Need to Know About Your HECM After Closing
- What Do I Do When My Loan is Due?

Reverse Mortgage Self-Evaluation: 
A CHECKLIST OF KEY CONSIDERATIONS www.reversemortgage.org

A reverse mortgage is a loan that enables homeowners that are generally 62 years of age or older to use part of their home's equity to obtain cash proceeds that can be used in many ways. The loan does not have to be repaid until the last surviving borrower or remaining eligible non-borrowing spouse passes away or permanently leaves the home, or if the homeowners sell the home, or fail to meet the loan obligations, that include paying property taxes and insurance, and keeping their home maintained.


Nearly all reverse mortgage loans on the market today are federally insured Home Equity Conversion Mortgages (HECMs), though other types of reverse mortgage loans are offered by some states and private lenders. This Reverse Mortgage Self-Evaluation is based on the features and requirements of HECM reverse mortgages, but may be helpful to consumers considering other types of reverse mortgage loans.

Reverse mortgages are a versatile financial tool that nearly a million homeowners have used to age-in-place, and for other reasons. However, like any financial product, reverse mortgages should be considered carefully before deciding whether to obtain one.

You should ask yourself the following questions before proceeding with your loan application:

1. How do you intend to use your reverse mortgage loan proceeds?
2. Do you fully understand your obligations as a borrower under a reverse mortgage?
3. If you are married, will your spouse be a co-borrower on your loan?
4. How will your reverse mortgage loan be repaid?
5. Do you receive assistance under any government programs that are based on your current income?
6. How long do you, and your spouse, plan to remain in the home?
7. Have you considered other strategies to supplement your retirement income?

1

What You Need to Know About Your HECM After Closing 
www.reversemortgage.org

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Welcome! What follows is a guide to information that we trust will be helpful in answering some questions that you or your heirs may have now or in the future about your FHA-insured Home Equity Conversion Mortgage ("HECM"), commonly referred to as your reverse mortgage loan. This information should not replace reading your loan documents as the information in your loan documents is important and establishes the terms of your loan. Likewise, this information is not intended to be legal advice or to modify or replace any loan terms as established by your loan documents. This information is simply intended to be a guide for you after closing. Further, the people who act as your Servicer are ALWAYS the experts, thus you should contact them whenever you have a question or need direction.

The Index to this guide can be helpful in directing you to a specific answer but we encourage you, your family, your heirs, your financial advisor, your realtor or anyone else that might assist you with your affairs to read through the guide. Keep it handy but remember your best source of information is always your Servicer.

Let's get started. After you closed your HECM loan, your Lender may have retained ownership of your loan or they may have sold your loan to another entity who is now the owner (this is very common). The owner of your loan is also referred to as the Investor. The Investor may act as your Servicer or they may have engaged another entity to service your loan. Whatever course of action that occurred, these two entities, your Investor and your Servicer, are important to you and your HECM.

Other very important entities are the Federal Housing Administration ("FHA"), that insures your HECM loan, and the U.S. Department of Housing and Urban Development ("HUD"), and that administers the HECM loan program. FHA and HUD have established servicing rules and guidelines that everyone must follow and there are serious consequences if these rules and guidelines are not followed. FHA and HUD periodically issue updates to their servicing rules and guidelines, which your Servicer must follow. Your servicer will communicate changes to you as necessary and if applicable to your loan.

1

What Do I Do When My Loan is Due? 
www.reversemortgage.org

AN EASY GUIDE FOR REVERSE MORTGAGE BORROWERS AND THEIR FAMILIES

A reverse mortgage is a loan

Most reverse mortgages are Home Equity Conversion Mortgages (HECMs) that are insured by the Federal Housing Administration (FHA).

Your HECM is money loaned to you by a lender against the equity you have accumulated in your home by making monthly mortgage payments.

Like any loan, a reverse mortgage must be paid back.

You are also responsible for paying your real estate taxes and hazard insurance premiums for as long as you have your HECM. You are also responsible for maintaining the structural integrity of your home.

It is very important that you communicate with your Loan Servicer whenever you have a question about your reverse mortgage. Your Loan Servicer will always help you through the end of the loan process. Make sure you keep the telephone number and or email address of your Loan Servicer nonetheless.

1

What Do I Do When My Loan is Due?

Your HECM will be paid back in full when you reach what is called a **Maturity Event**.

You can pay off your HECM in full at any time—or you can wait until you reach a **Maturity Event**.

- A **Maturity Event** occurs when a borrower:
- Sells the home;
 - Conveys title of the property to someone else;
 - Passes away;

- Resides outside of the principal residence for a period exceeding 12 consecutive months due to physical or mental illness;
- Fails to pay property taxes, insurance premiums, condo fees, and other "mandatory obligations," and all options to bring the loan current have been exhausted; or
- Fails to maintain the home and allows it to fall into disrepair

This guide will help you prepare when a **Maturity Event** occurs and the loan has to be repaid. It includes:

- A step-by-step walk through the end of the loan process.
- **Step One: You Reach a Maturity Event**
- **Step Two: Contact Your Servicer**
- **Step Three: Plan to Pay Off Your Debt**
- **Step Four: Settling the Loan**
- **Step Five: If Loan Cannot Be Settled, Face Foreclosure**
- Advice for surviving spouses of HECM borrowers
- Advice for children or other heirs of HECM borrowers
- A glossary of terms that HECM borrowers should know

NRMLA WORKING ON YOUR BEHALF

- A membership association working to support
 - Lenders
 - Servicers
 - Counseling Agencies
 - Law Firms
 - Title Companies
 - Tech/Doc Prep Providers
 - Associated Service Providers

GOVERNMENT RELATIONS

- **Senate Banking Committee**
- **House Financial Services Committee**
- **Budgetary analysis of federal agency programs**
- **Budgetary and economic information to Congress**

REGULATORY MATTERS

- Strengthening HUD relationships
- Engaging and educating CFPB
- Educational outreach
 - FDIC
 - OCC
 - OHC

STATE & LOCAL ISSUES



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STATE & LOCAL ISSUES



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- Risk & Compliance
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- Education
- CRMP
- Ethics

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