

# Tapping into the Reverse Mortgage Space

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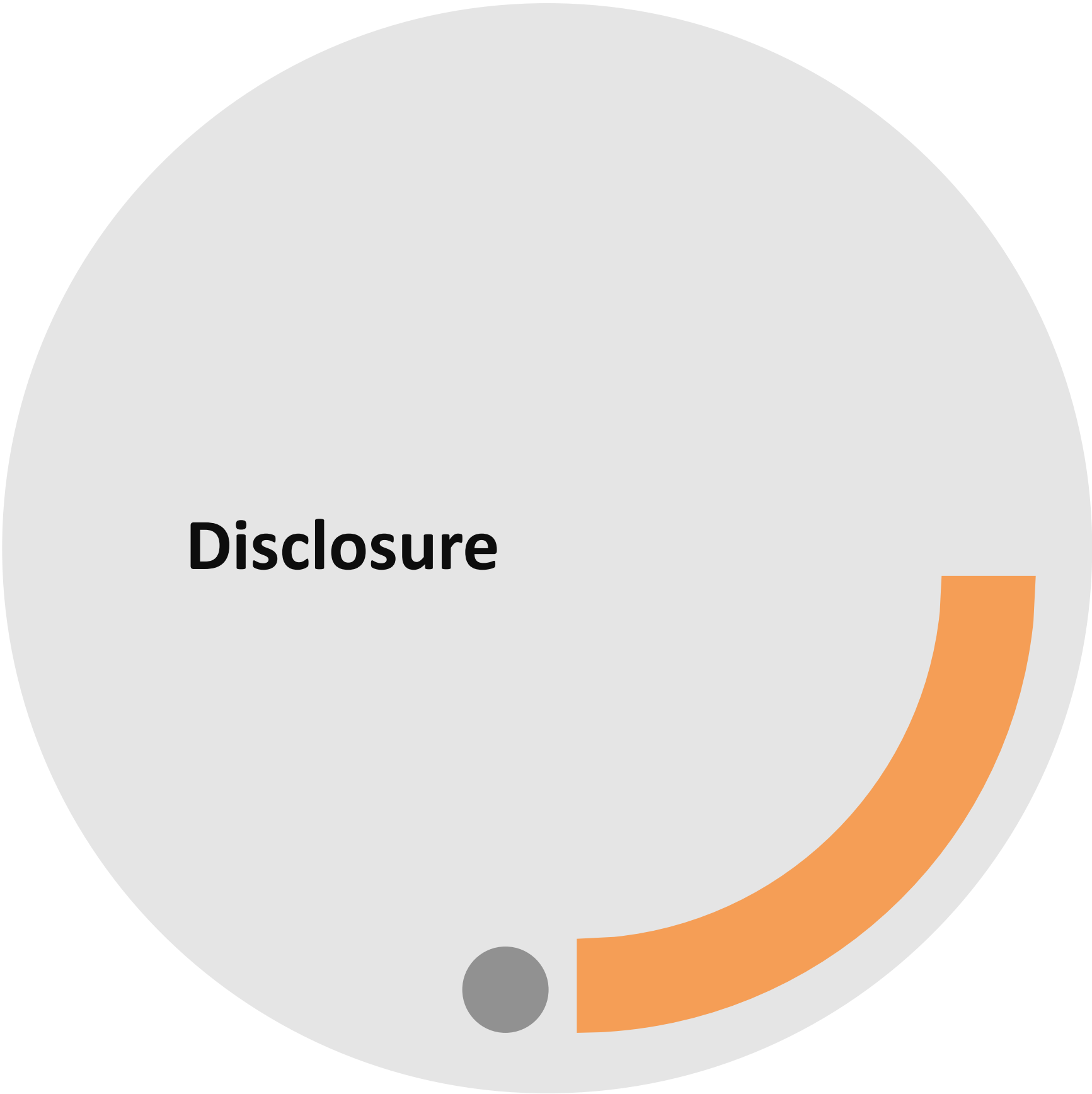


# Overview

- ✓ Sourcing a Reverse Mortgage
  - ✓ Where to Start
  - ✓ Tips for growing your business
- ✓ Identifying Reverse Mortgage Prospects
  - ✓ Strategies to find reverse mortgage prospects
- ✓ Articulating key differences between Forward and Reverse

*The information provided is for informational purposes only and is not an endorsement of any of the vendors or companies referenced.*

*Check with your internal compliance department for guidance on your marketing activities.*



# Retirement Outlook

2018 – 52 million people are 65 and over (16% of the total population)

Almost 11,000 baby boomers turn 62+ every day

2060 projected to rise to 95 million

Average U.S. life expectancy increased to 79.8 years

Seniors age 62+ own almost 8 trillion of home equity

Silver divorce - More older adults are divorced

Demand for elder care is rising

Concerns over retirement

# Where to start?

Many loan officers see the benefit of the reverse mortgage product for their elderly customers but may not know where to start sourcing business leads. In this presentation we will look at:

- ✓ Strategies and avenues for sourcing reverse mortgage leads

“The secret of getting ahead is getting started. The secret of getting started is breaking your overwhelming tasks into small manageable tasks, and then start on the first one”

Mark Twain

# Four Tips for growing your business

## Talk

Talk, talk, talk – word of mouth is key and interacting with as many people as possible

## Seek out

Seek out trusted advisors

## Join

Join community organizations

## Find

Find a Partner

# Strategies to find reverse mortgage prospects

- ✓ Use a Systematic approach to marketing
- ✓ Work every angle
- ✓ Establish a reverse mortgage presence
- ✓ Create a marketing message that solves a very specific problem that homeowner is facing
- ✓ Follow your internal compliance policies

As the nation finds a new normal, we have opportunities to again get out and meet face-to-face with people. This opens a lot of marketing avenues that were shut down over the last year

# Going directly to the Consumer is

## Identify the target consumer:

- ✓ Older adult homeowners Homeowner

## Who would you like to target?

For example, prospects who:

- Are considering a HELOC or currently have a HELOC
- Have a current mortgage
- Behind on property taxes
- Recently divorced or widowed
- Have a properties discharged from bankruptcy
- Are looking to purchase a home
- Want to remodel/upgrade their home



# Advertising

- Direct Mail - The demographics you are targeting for RMs are more apt to read physical mail
- Newspaper Marketing – **is one** way to capture the interest of your target audience
- Magazine Advertising – The advantage magazines have over newspapers is **Color**
- Postcards – send targeted postcard that clearly explains the value behind a reverse mortgage
- Digital platforms, namely blogging, posting testimonials, or writing informative articles online

## 10 Ways to Use Reverse Mortgage Funds

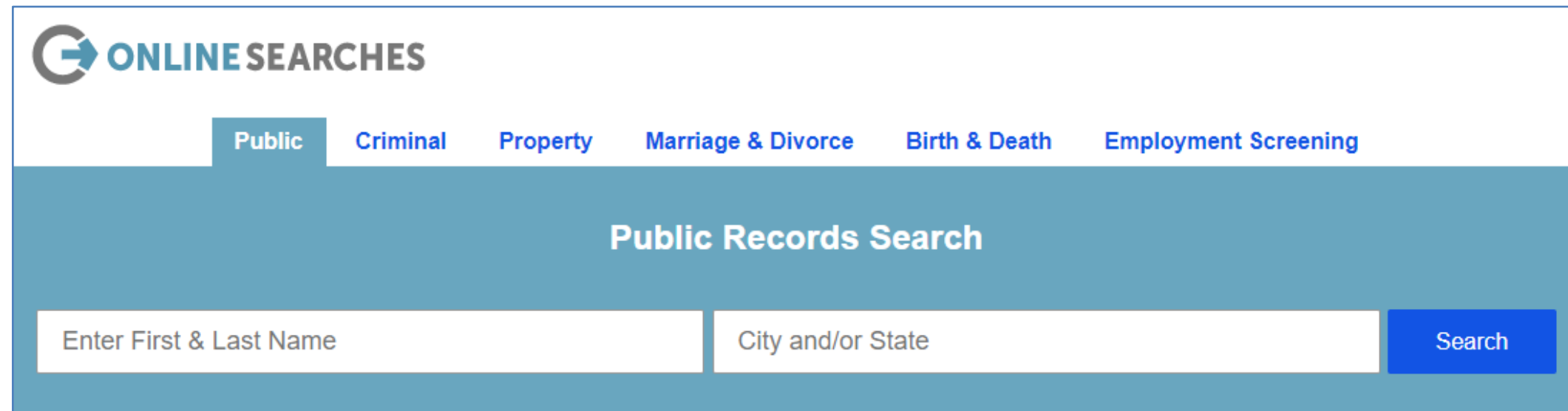


# Direct Mail Resources

## Direct Mail Resource:

- ✓ Targeted approach –
  - ✓ PropertyRadar, comprehensive property and owner data from public records all in one location - [Reverse Mortgage Prospects Quick List: Prebuilt Mailing Lists | PropertyRadar](#)
  - ✓ Dataman Group Direct - [REVERSE MORTGAGE PROSPECTS - Dataman Group Direct](#)
  - ✓ ListSource - [ListSource](#)

# Other Resources



The screenshot shows a web interface for "ONLINE SEARCHES". At the top, there are navigation tabs: "Public", "Criminal", "Property", "Marriage & Divorce", "Birth & Death", and "Employment Screening". The "Public" tab is selected. Below the tabs is a section titled "Public Records Search". It contains two input fields: "Enter First & Last Name" and "City and/or State", followed by a blue "Search" button.



- There are many public information websites that a sales professional can access to reach targeted audience
- Title companies can provide access to lists
- County records are a good resource

# Radio and TV

- Takes an investment of time and money
- Advertising - Local television or radio stations
- Presence through local media can allow for more opportunities to give a senior the assurances they need to actually pick up the phone and call
- How to break into local media advertising
  - Paid television appearances; 3-to-5 minutes information interviews
  - Not cheap and can take a little while for it to take hold





# Digital Marketing

- Marketing methods conducted through electronic devices
- Search engines
- Websites
- Blogs
- Social Media
- Images and Video content
- Review and Customer Testimonials
- Branded Logos
- Email

**Facebook**  
**Instagram**  
**Twitter**  
**LinkedIn**  
**Pinterest**  
**Snapchat**  
**TikTok**



**Google Ads**  
**Microsoft Advertising**

**Google Ads**

**Bing ads**

# Social Media

- ✓ Social media can be a powerful tool to leverage in marketing any kind of product, but can be tricky for Revers Mortgages
- ✓ FB is a way to disseminate more high-level lifestyle content that can allow potential business leads to enter the company's sphere of influence
  - ✓ Lifestyle content – warm lighthearted friendly concepts that can engage an audience
  - ✓ Incorporate more serious concepts, more financial planning-related topics like home equity loans and RMs
- ✓ Targeting potential referral sources
  - ✓ Geared toward Financial advisors, builders, attorneys and accountants– share content and information (LinkedIn is better option than FB for this)
- ✓ FB to connect with regional Realtor groups
- ✓ Powerful brand building
- ✓ Reuse and recycle content from newsletter, emails

# Social Media - Podcasts

- ✓ You do not need to have a RM podcast to take part in this marketing media
  - ✓ Be a guest on a Podcast:
- ✓ Get your message in front of people you may not have otherwise ever been able to
- ✓ Gain instant credibility with the listeners of the show
- ✓ The content is evergreen – the Podcast will hang around for ever
- ✓ You now have content you can share across all your media platforms, which include social media, email and your blogs

## How do you find RM podcasting opportunities?

- ✓ Online Search – Google, Yahoo, Bing. Search podcast in your city or state
  - ✓ Search - Real Estate, Finance, Financial Planning, Personal Finance, Retirement, Senior, Boomer, Housing, Bankruptcy, Estate Planning, Insurance, Care Giving
- ✓ Listen Notes – search engine for podcasts
- ✓ Castbox

# Social Media – Outsourcing

- ✓ Outsourcing content to Reverse Mortgage Writers
  - ✓ Professional writers can cost anywhere from \$.05 to \$.10 a word or higher. A 500-word article could cost \$25 - \$50
  - ✓ Find them by searching Google or LinkedIn; Iwriter.com and TextBroker.com
  - ✓ Upwork (freelance website)
  - ✓ Guru.com and Freelancer.com
- ✓ Money articles – for your blog posts or your RM website
  - ✓ Informative, educational, designed to get people to take action



# Seek out Trusted advisors

- ✓ Trusted advisors can be your best resource because they provide a “warm Lead”
- ✓ Attend any event that might put you in front of financial planners, real estate agents, CPAs or Builders
  - ✓ Attend events – “be present at local events”
    - ✓ Open houses
    - ✓ Local association chapters
- ✓ Get out into your community and meet other professionals and talk about what we do, how we can benefit older adults in retirement

# Find a Partner

- ✓ Finding Local Businesses that are also offering services geared toward seniors and partnering up
- ✓ Local news paper ads might provide ideas on who you can reach out to

**“lets talk about how we can jointly go after business- not just talking about mortgages, but what are the other things that are going on in an older adult’s life, how can we bring a benefit to them”**

# Financial Planners

- ✓ Can be some challenges associated with building partnerships between reverse mortgage originators and the financial planning community, either because of some personal biases or because they are not allowed to offer the idea of using a reverse mortgage as a financial tool by their companies
- ✓ Becoming more acceptable in the financial planning community – recommending a reverse mortgage to their client base
- ✓ When working with a prospect, ask them if they have a financial planner – get their contact information to discuss with them the benefits of RM

Financial Planning Associations: [www.fpa.net](http://www.fpa.net)

National Association of Insurance and financial Advisors: [www.naifa.org](http://www.naifa.org)

# Realtors and Builders

Listing Real Estate  
Agents (SRES)  
<http://sres.org/>

Selling Real Estate  
Agents:  
<http://www.realtor.com/>

Homebuilders  
Association (HBA)

Builders of 55+ Adult  
Communities

# Realtors and Builders

NRMLA – HECM for Purchase A Homebuilder's Toolkit (available to members) [NRMLA-H4P-Homebuilders-Toolkit-01082020-Digital-Version.pdf \(nrmlaonline.org\)](https://www.nrmlaonline.org/NRMLA-H4P-Homebuilders-Toolkit-01082020-Digital-Version.pdf)

- ✓ Benefits for a builder or Realtor
  - ✓ Reverse for Purchase can help builders capture new customers and sell more homes by making it easier for people 60+ to buy the home they desire without being required to make monthly mortgage payments
  - ✓ Increase purchasing power
  - ✓ Flexible repayment feature
  - ✓ The borrower can preserve more of their own funds than if they paid cash
- ✓ Builders can set themselves apart
- ✓ Sell homes faster
- ✓ More recommendations

# Community

- ✓ Getting involved in your local community is essential
- ✓ Join local community groups
  - ✓ Chamber of Commerce
  - ✓ Not-for-Profit Boards
  - ✓ Agencies
  - ✓ Networking groups
  - ✓ Toast Masters International



Attend Local Events

# Chamber of Commerce

- Joining local Chamber of Commerce – this is a great way to network with business professionals in your area
  - Opportunity to build relationships
  - Networking events – lunch and learns and after hour events
  - Advertising to members
  - Showcase your business

“You want to build your business and they want to grow their business, lets see what we can do together”

“Don’t be intimidated to go up and ask for business – they want the same thing”

# Reverse Mortgage Leads

## Lead generation companies

- ✓ Due diligence – know the company you are working with
- ✓ Cost for Leads varies
- ✓ To be successful you must consistently work the leads

### Lead Resources

New Retirement: [www.newretirement.com](http://www.newretirement.com)

Live Leads GURU: [www.liveleads.guru](http://www.liveleads.guru)

Got Leads 365: [www.gotleads365.com](http://www.gotleads365.com)

All Web Referrals: [www.allwebreferrals.com](http://www.allwebreferrals.com)

Lead Balance: <https://leadbalance.com>

Interactive Market Solutions, Inc: [www.i-marketsolutions.com](http://www.i-marketsolutions.com)



# Summary

“Apply a strategic approach to your marketing efforts, put your own flair on simple techniques in order to find success”

- ✓ Talk, talk, talk
- ✓ Seek out trusted advisors
- ✓ Join community organizations
- ✓ Find a partner

“This industry has changed dramatically over the years, and some of the things that we’ve done in the past may not work anymore,” “But getting back to your roots, looking at what you’re going to do, taking a systematic approach to marketing, making sure that you are working every angle, can be very successful.”

- ✓ Remember the sound advise from Mark Twain – “the secret of getting ahead is getting started. The secret of getting started is breaking your overwhelming tasks into small manageable tasks, and then start on the first one”

A photograph of an elderly couple in a room filled with cardboard boxes, suggesting a move. The man is sitting on the floor, holding a small house-shaped object. The woman is standing in the background, holding a folder. The text "IDENTIFYING REVERSE MORTGAGE PROSPECTS" is overlaid in the center.

# IDENTIFYING REVERSE MORTGAGE PROSPECTS



Reverse mortgages are not for everyone, but many who the product is perfect for do not participate because of misinformation:

## **Misinformation regarding Reverse Mortgage Candidate**

- Desperate
- House rich, cash poor
- Last resort
- Age 62 for a HECM borrower or lower for proprietary products
- Reverse mortgage for purchase – free up cash from previous home
- Provide portfolio security – reverse mortgage line of credit
  - Obtaining one early maximizes the LOC growth potential
  - Standby cash reserve
  - Increase cash flow
  - Pay off debt- reduce monthly expenses
  - Health Care
  - Fund Long Term Care- allows people to remain in their home and access the care they need
  - Make home improvements

# Things to consider when talking with a Prospect

- ✓ Has there been a loss or change of income?
- ✓ How are they managing their home?
- ✓ Are they able to meet their financial goals?
- ✓ Does their lifestyle fit into their retirement?
- ✓ Are they prepared for the unexpected?



# Has There Been a Loss or Change of Income?

- ✓ **Newly retired or approaching retirement**
  - ✓ Immediate reduction in cash flow
- ✓ **Sudden death of a spouse**
  - ✓ Loss of the lesser social security benefit
- ✓ **Depleting portfolio more quickly**
  - ✓ Drawing more from their portfolio?
  - ✓ Considering a Life Settlement?
- ✓ **Coronavirus**
  - ✓ Experienced a job loss or reduced hours at work?
  - ✓ Helping children affected by the virus?



# How Are They Managing Their Home?

- ✓ **Still Making Mortgage Payments**
  - ✓ 44% of people 60 to 70 years old still have a mortgage payment when they retire\*
- ✓ **Renovations/Modifications**
  - ✓ Cosmetic, medical, etc.
- ✓ **Upkeep & Maintenance**
  - ✓ Unexpected home repairs, landscaping, pool, etc.
- ✓ **Downsizing/Move Closer to Family**
  - ✓ Is the home too big now that the kids are all grown?
  - ✓ A HECM can help you buy a house without mortgage payments (HECM for Purchase)



\*Washington Post – March 2018

# What Are Their Overall Financial Goals?

- ✓ **Bridge the Social Security Gap**
  - ✓ Retire early and defer Social Security payments until 70
- ✓ **Managing Market Volatility**
  - ✓ Avoid selling when stock prices fall
  - ✓ Use HECM proceeds until the markets recover
- ✓ **Living Legacy**
  - ✓ Provide funds to see your heirs spend their inheritance or help afford life insurance
- ✓ **Taxation Concerns**
  - ✓ Replace taxable withdrawals with tax free HECM proceeds



# Does Their Retirement Plan Support the Desired Lifestyle?

- ✓ **Are they working because they *have* to?**
  - ✓ Is there enough in retirement to allow them to stop working?
- ✓ **Comfortable, but would enjoy more income**
  - ✓ Are they able to see the grandkids or vacation as often as they would like?
- ✓ **Increased life expectancy**
  - ✓ As life expectancies continue to increase, they must be sure their assets will last well into retirement years





# Are They Prepared for Unexpected Expenses?

## ✓ Long Term Care Event

- ✓ Do they have a LTC policy in place, and are the premiums still affordable?

## ✓ Medical Event

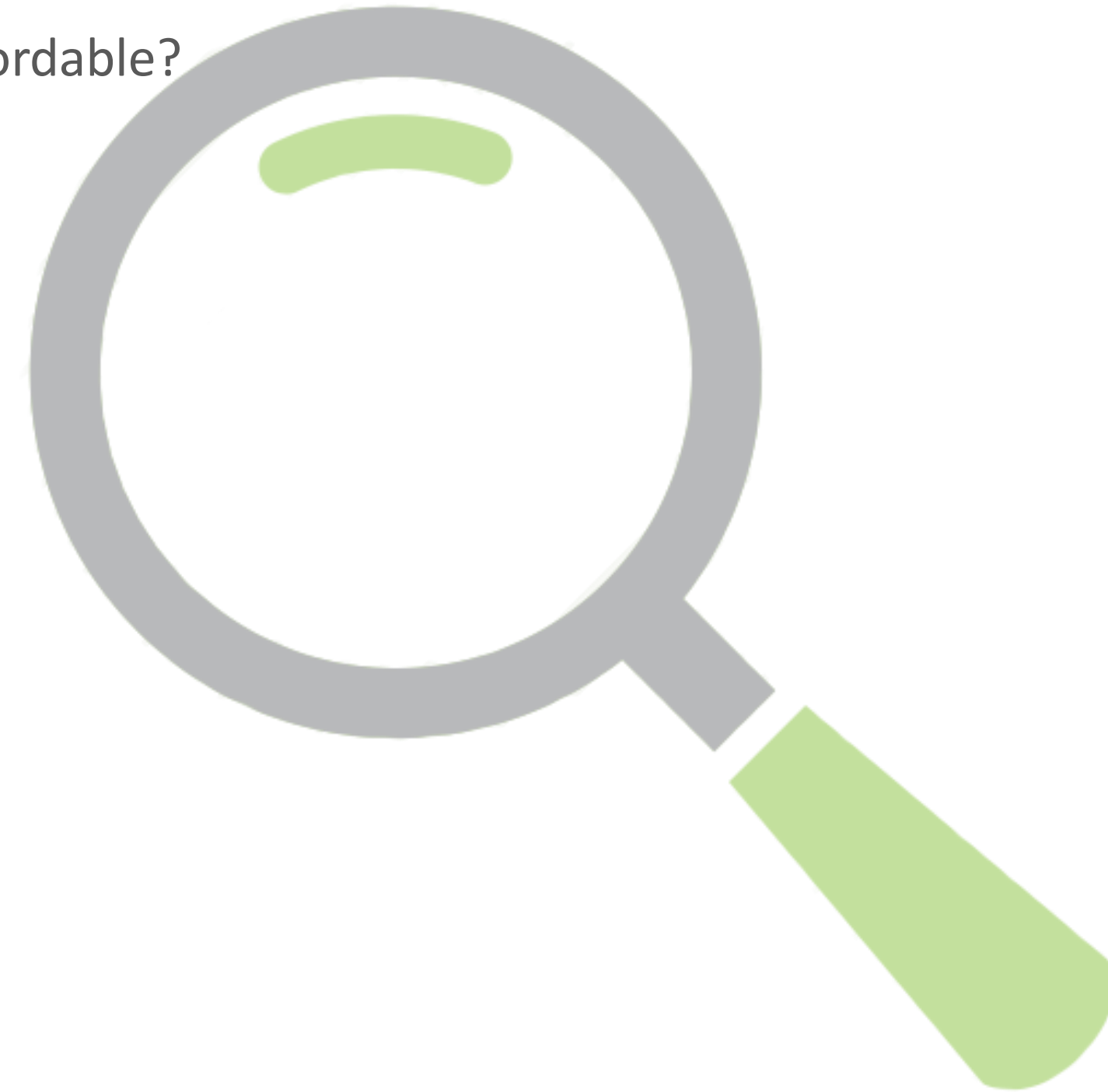
- ✓ Some treatments and medications may not be fully covered by your insurance

## ✓ Family

- ✓ Is financial support still being given to their adult children or grandchildren?

## ✓ General Emergencies

- ✓ Life happens!

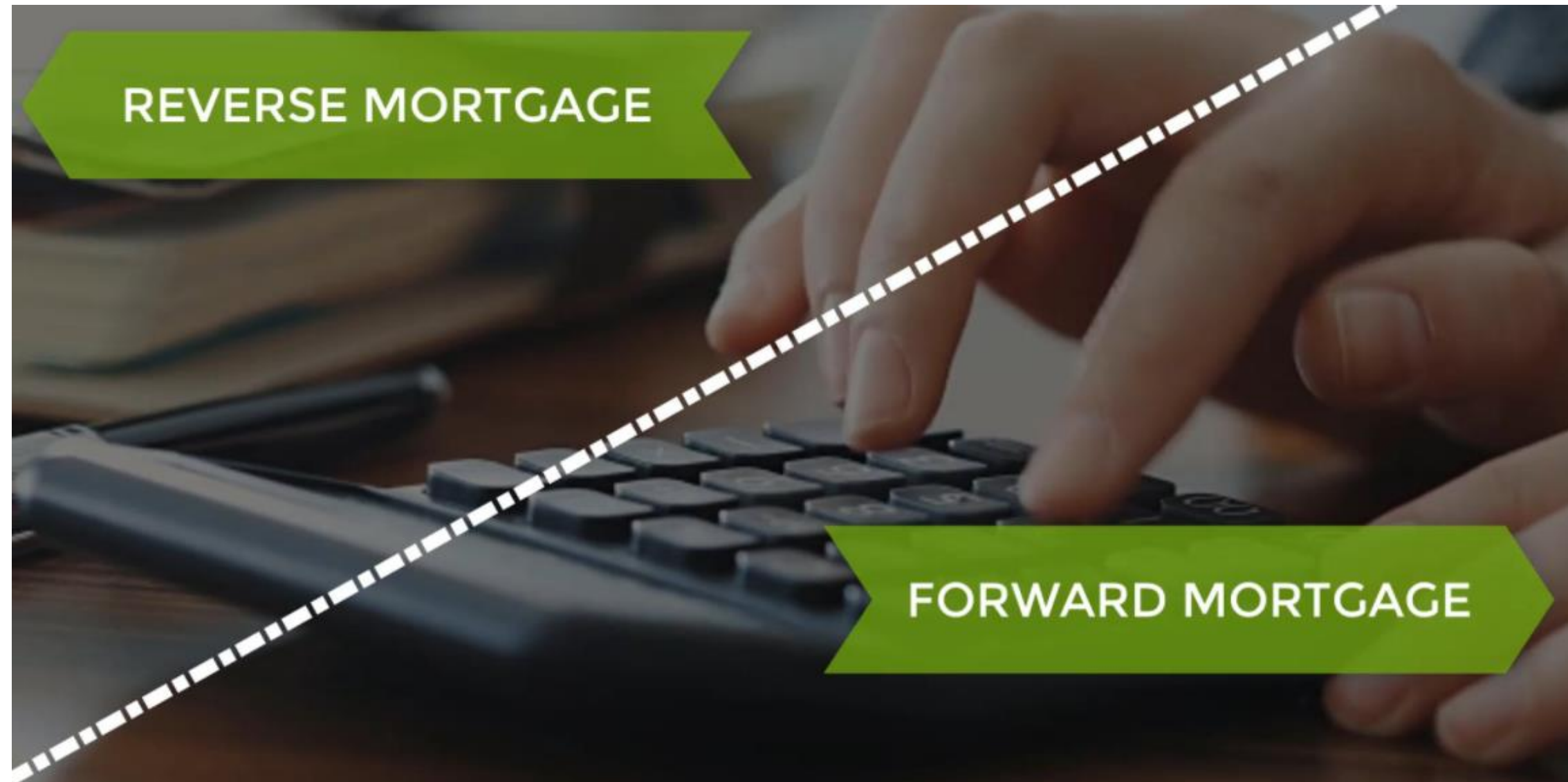


# When might a Reverse Mortgage *Not* be a Good Choice?

- ✓ The Borrower expect to remain in the home for a short time
- ✓ Home maintenance, insurance, and taxes are not affordable
- ✓ Heirs need to live in the home but will have no ability to pay off the loan
- ✓ Funds will be used to purchase investments or annuities

# FORWARD AND REVERSE

Articulating key differences



# Reverse Mortgage vs. Forward Mortgages

The term “forward mortgage” refers to a traditional or conventional mortgage and used mainly in comparison with a reverse mortgage

- Both forward and reverse mortgages are loans that use your home as collateral and are major financial commitments
- Reverse mortgages are far less common – not fully understood by mainstream media, lack of education, misconceptions
- While there are some similarities between the two types of loans, they’re actually quite different in ways that may be beneficial to senior borrowers
- Whether your borrower chooses a forward or reverse mortgage depends upon what point in life they are at – personally and financially

# Similarities and Differences

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	Forward	Reverse
Term	<ul style="list-style-type: none"> <li>• Set Term</li> </ul>	<ul style="list-style-type: none"> <li>• No pre-defined maturity date</li> </ul>
Programs	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance – cash-out, lower interest rate, lower monthly payments</li> <li>• HELOC, Home Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance – retire monthly mortgage payments, set up a payment stream or growing LOC</li> </ul>
Interest Rates	<ul style="list-style-type: none"> <li>• Fixed or Adjustable rates</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed or Adjustable rates</li> </ul>
Qualifications	<ul style="list-style-type: none"> <li>• Verified income</li> <li>• Debt to income ratio</li> <li>• Credit Score – higher the better</li> </ul>	<ul style="list-style-type: none"> <li>• Age requirement</li> <li>• Have sufficient equity</li> <li>• \$'s depend on age, home value and current interest rate</li> <li>• Financial Assessment</li> </ul>
Disbursement	<ul style="list-style-type: none"> <li>• Home Equity – lump sum payment</li> <li>• HELOC – as needed, up to a pre-approved credit limit</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly payments</li> <li>• Lump-sum payment</li> <li>• Growing Line of Credit</li> <li>• Combination</li> </ul>
Repayments	<ul style="list-style-type: none"> <li>• Monthly payments are required</li> <li>• Failure to make timely payments can result in foreclosure</li> </ul>	<ul style="list-style-type: none"> <li>• No monthly payments required</li> <li>• Repayment is deferred</li> </ul>
Non-Recourse	<ul style="list-style-type: none"> <li>• No – personal liability in addition to property collateral</li> </ul>	<ul style="list-style-type: none"> <li>• Yes – heirs are protected</li> </ul>
Homeowner Responsibility	<ul style="list-style-type: none"> <li>• Taxes and insurance</li> <li>• Home maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes and Insurance</li> <li>• Home Maintenance</li> </ul>

# Similarities

## **Title and Home Ownership**

- One of the most common misconceptions surrounding reverse mortgages is that the bank or lender takes ownership of the home. Like a traditional mortgage, the title to the home remains in the borrower's name

## **Taxes, Insurance, and Home Maintenance**

- The borrower is the owner of the home, both loans require that they pay property taxes, homeowners insurance, and basic home maintenance and repair
- If these obligations are not fulfilled, you assume the risk of foreclosure on your home.

## **Financial Assessment**

- With both loans, lenders need to ensure that the borrower has the necessary resources to afford the associated financial obligations.
- Borrowers will need to undergo a financial assessment before being approved for either loan.

# Differences

- **Monthly Payments**

- While traditional mortgages require borrowers to make monthly mortgage payments Reverse mortgages do not
  - leverage the remaining cash to use however you wish

- **Loan Repayment**

- Both forward mortgages and reverse mortgages are, indeed, loans—so they'll both need to be repaid
- While traditional forward mortgages are typically paid off via monthly payments to the lender
- The reverse mortgage repayment process is deferred

- **Non-Recourse Loan**

- Unlike forward mortgages, reverse mortgages are non-recourse loans

**Thank you!**

Do you have any questions?





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