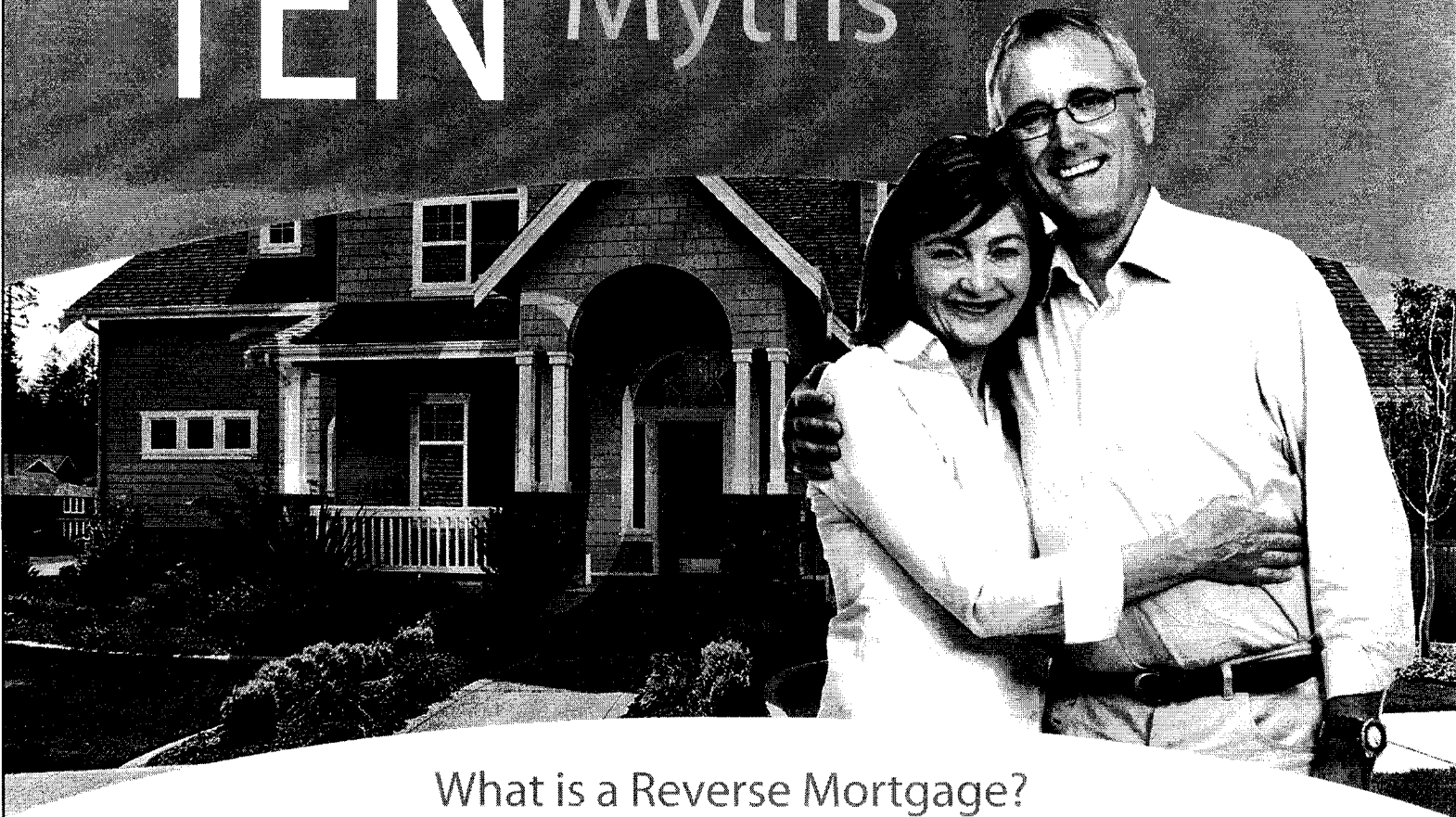


The Top TEN Reverse Mortgage Myths



What is a Reverse Mortgage?

A reverse mortgage enables homeowners 62 and older to convert part of the equity in their homes into cash without having to sell the home, give up title, or take on a new monthly mortgage payment. You continue to pay insurance and taxes and remain the sole homeowner.

The reverse mortgage is aptly named because the payment stream is "reversed." Instead of making monthly payments to a lender, as with a regular mortgage, a lender makes payments to you. This brochure explains some common myths that are important for you to be aware of as you learn about the benefits of our product.

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Below is a list of the most common myths about reverse mortgages. Have more questions? Call me for a one-on-one consultation. I'm here to help.

Myth 1: I can't get a reverse mortgage if I have an existing mortgage.

False. If your house isn't paid off, the proceeds you receive from the reverse mortgage can be used to pay off any existing mortgage, eliminating the monthly mortgage payments entirely.

Myth 2: If I get a reverse mortgage the lender will own my home.

False. You still retain title and ownership to your home and can choose to sell the home at any time. As long as you continue to live in and maintain your home and pay your property taxes and homeowners insurance, the loan cannot be called due.

Myth 3: Reverse mortgage proceeds can only be used for certain things.

False. There are no restrictions. The cash proceeds from the reverse mortgage can be used for virtually any purpose, and borrowers should be cautious of lenders attempting to cross sell other products. Many seniors have used reverse mortgages to pay off debt, help their kids, make ends meet or to have a financial reserve.

Myth 4: Reverse mortgages are only for low income seniors who need financial help.

False. Although some seniors may have a greater need for the monthly proceeds or lump sum funds reverse mortgages offer, most simply prefer to be free of monthly mortgage payments. Without monthly mortgage payments, many find they can maintain their existing quality of life and build their savings to help with future expenses. A growing number of people who have no immediate need are taking out these loans so that they have a financial cushion for future expenses.

Myth 5: If I outlive my life expectancy, the lender will evict me.

False. Reverse mortgage lenders can't put a time limit on how long you can stay in your home. Since you still own the property, lenders cannot evict you as long as you continue to live in and maintain your home and pay your property taxes and homeowners insurance.

Myth 6: A reverse mortgage will affect my government benefits.

Fact: A reverse mortgage generally does not affect regular Social Security or Medicare benefits. However, if you are on Medicaid, any reverse mortgage proceeds that you receive would count as an asset and could impact Medicaid eligibility. To be sure, we recommend that potential borrowers consult their federal benefits administrators or financial advisors.

Did you know that there is

NO INCOME OR CREDIT QUALIFICATION

to get a reverse mortgage?



Knowledge is power. I'm here to make sure you have all the facts and to assist you in finding out if a reverse mortgage is right for you.

Myth 7: There is no one I can trust to give me the real story on a reverse mortgage.

False. When you get a reverse mortgage, you are required to work with independent, third party counselors approved by the U.S. Department of Housing and Urban Development (HUD) in your local community. This educational session will help you make the right decision for your unique situation.

Myth 8: My children will be responsible for the repayment of the loan.

Fact: There is no recourse to you or your heirs if the loan balance exceeds the home's value at maturity as long as you or your heirs sell the property to pay off the debt. If you or your heirs want to retain the property, the balance must be paid in full. Any equity remaining in the property after the reverse mortgage is retired belongs to you or your heirs.

Myth 9: Reverse mortgage lenders take advantage of seniors.

Fact: Seniors who have been victims of reverse mortgage lending schemes are extreme exceptions and typically victims of unsavory lenders. As a consumer, you should only work with reputable lenders. Protect yourself by conducting as much research as possible by consulting government agencies or your financial advisor.

Myth 10: Seniors with a limited income cannot qualify for a reverse mortgage.

False. Most traditional mortgages require income and credit qualifications because the lender needs to be sure that you can afford the monthly payments. Because you do not make monthly payments on a reverse mortgage, neither income nor credit score are qualifying factors. Many seniors who don't qualify for traditional financing are eligible for a reverse mortgage.

QUICK FACTS:

- Retain title on your property
- No monthly mortgage payments
- Stay put - no need to move

Eligible primary residence types:

- Single family homes
- 1-4 unit properties
- Some manufactured homes
- Condominiums and townhouses

Receive your funds as a:

- Lump sum
- Fixed monthly payment
- Line of credit (use as needed)
- Combination of these

