

TEN IMPORTANT THINGS TO CONSIDER ABOUT A REVERSE MORTGAGE



1. Reverse Mortgages have Consumer Protections

Government regulations require that all reverse mortgage lenders operate under the same guidelines. This assures borrowers that by using an approved lender when obtaining a Federal Housing Administration (FHA) insured reverse mortgage—also known as a Home Equity Conversion Mortgage (HECM)—the loan will have all the consumer protections required by this program.

2. Meet with Someone You Trust

It is of paramount importance that you understand the details of the program, as you will need to make some decisions along the way. Meeting with someone you know and trust—or who is referred by someone you know and trust—will assure a smooth transaction and you can feel confident that all your questions are being answered so that you can make informed, educated decisions.

3. Select an Experienced Lender

Reverse mortgage loans are different than conventional home loans. Be sure to choose a lender with significant reverse mortgage experience, who can assure you of their depth of knowledge and whose expertise will make the loan product easy to understand and the process simple. You can be confident that Celebrity Home Loans, LLC has the best possible resources to assure your transaction is completed timely, accurately, and professionally.

4. Listen to Experienced Professionals

While you should never feel you are being pressed to proceed before you are ready, you should also make sure the advice and guidance you are receiving about this program is from people who are knowledgeable about the facts of the program. Many well-meaning family members, friends, and professionals may offer advice, but if their understanding about the program is not based on the facts, you may be misguided or make a wrong decision. Please feel free to use us as a resource to help you confirm any information you are getting about this program—regardless of the source.

5. All Costs & Fees are Fully Disclosed

All costs associated with your reverse mortgage must be disclosed to you in detail. All fees, including upfront fees and any recurring fees over the life of the loan, will be added to the final payoff. If you should ever desire to make a partial or full repayment of this loan, you may do so without penalty.

6. Accessing Your Home Equity

A reverse mortgage gives you access to a portion of the equity in your home. You decide the amount of funds to use and interest is assessed only against what you draw—when you draw it. Any funds that you do not draw will remain as equity in your home. When you draw funds, you are not required to make a monthly mortgage repayment of the equity or interest (borrowers must maintain the property and remain current on property taxes, homeowner's insurance, and HOA dues). When you or your heirs sell the home, the equity you drew and the interest that accrued will be deducted from the sale proceeds and all remaining profit from the sale belongs to you or your heirs.

7. Loan Fund Options

Depending on the loan program chosen, how you receive your loan funds will be at your discretion. You can choose one lump sum payment, monthly payments, line of credit draws or a combination of these.

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8. No Monthly Mortgage Payments

Unlike a traditional mortgage, you are not required to make a monthly mortgage payment on your loan so long as the loan requirements are met. The loan requirements are:

1. At least one borrower must occupy the home as their primary residence
2. You must keep your property taxes current
3. You must keep current, adequate homeowners' insurance on your home
4. You must keep applicable HOA dues current
5. You must perform whatever routine maintenance is necessary to keep your home in good repair so that you do not lose eligibility for your homeowners' insurance



9. There are Limited Income & Credit Score Requirements

One of the most advantageous benefits of a reverse mortgage is that there are limited income and credit score requirements. Under the Financial Assessment Rules, you will need to demonstrate a capacity to continue paying property taxes and insurance on the home.

10. Home Ownership

With a reverse mortgage, you remain on title, retain home ownership and the ability to live in your home. As such, you are required to maintain the property and remain current on property taxes, homeowners' insurance, and HOA dues.



**CALL TODAY FOR A
COMPLIMENTARY
CONSULTATION.**

CAN0222-241403



Eric Niehoff

| NMLS ID#2240947
(303) 521-2171
(303) 521-2171
Eric.Niehoff@celebrityhomeloans.com
eniehoff.celebrityhomeloans.com/
600 S. Cherry Street Suite 1108
Denver, CO 80246



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