Reverse for Purchase:
Capturing the Senior Market

Presenter:
Laurie MacNaughton [506562]
Reverse Mortgage Specialist
Atlantic Coast Mortgage [643114]

Explosive growth in Senior market

Two kinds of Reverse Mortgages: Refi and Purchase

Refinance

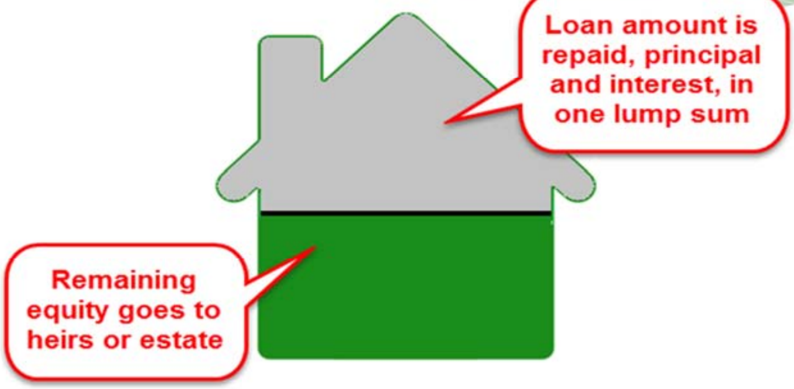
Purchase

As a trusted advisor, your client may look to you for information on financing options

Down Payment + Loan Amount = Purchase Price of the Home

No Monthly Mortgage Payments

When the LAST person on title permanently leaves the home…



Homebuyers are either: All-Cash or Financed

Cash Buyer: why use Reverse for Purchase?

* Retain more cash from the sale of their exit home
* Afford more home
* Purchase more upgrades.
* ***NO*** *monthly mortgage payment.*

Reverse for Purchase

* Planned a maximum $300,000 cash purchase.
* Instead, they can spend $200,000 – and get a $400,000 home that better fits their needs.
* Retain more liquidity from the sale of their exit home.

Financed Purchase: why use Reverse for Purchase?

* **NO** monthly mortgage payments
* Notably easier qualifying

What are the Guidelines?

* 62 or older (at least one borrower)
* For purchase of primary residence
* **No** employment requirements
* **No** minimum or maximum income requirements
* **No** maximum debt ratios
* **No** minimum credit score

Notably easier qualifying

What's in it for you?

* Capture more of the nation's fastest-growing housing sector
* Increase your role as a trusted advisor
* Broaden your client base
* Help aging clients qualify for a more appropriate home – or more upgrades
* SELL MORE HOMES

FAQ's

What if the homeowner decides to sell the home?

The home can be sold at any time.

The outstanding loan balance is paid at the time of closing on the sale of the home.

FAQ's

What is the LTV?

* The LTV is determined by the age of the **youngest** homebuyer.
* As a *rough* rule of thumb, your buyer will put down 50%, and the loan amount will make up the other 50%. HOWEVER, the *older* the homebuyer, the *smaller* the down payment.
* The down payment amount *includes* the closing costs.

FAQ's

When is the loan repaid?

The loan – principal and interest – are repaid when the last person on title permanently leaves the home.

FAQ's

What if the value of the home increases?

No matter if - or by how much - the property appreciates in value, only the outstanding balance is due on the reverse mortgage at the time the home is sold. Any additional proceeds from the sale of the home belong to the homeowner or to the estate.

FAQ's

What if the value of the home *decreases*?

No matter if - or by how much - the property decreases in value, the home repays what it can. Any shortage is made up by the mandatory FHA insurance; neither the homeowners nor the heirs are responsible for any shortfall.

Reverse Mortgage Specialist

Laurie MacNaughton

Reverse Mortgage Specialist
NMLS ID# 506562

703-477-1183

Laurie@MiddleburgReverse.com
www.MiddleburgReverseLady.com