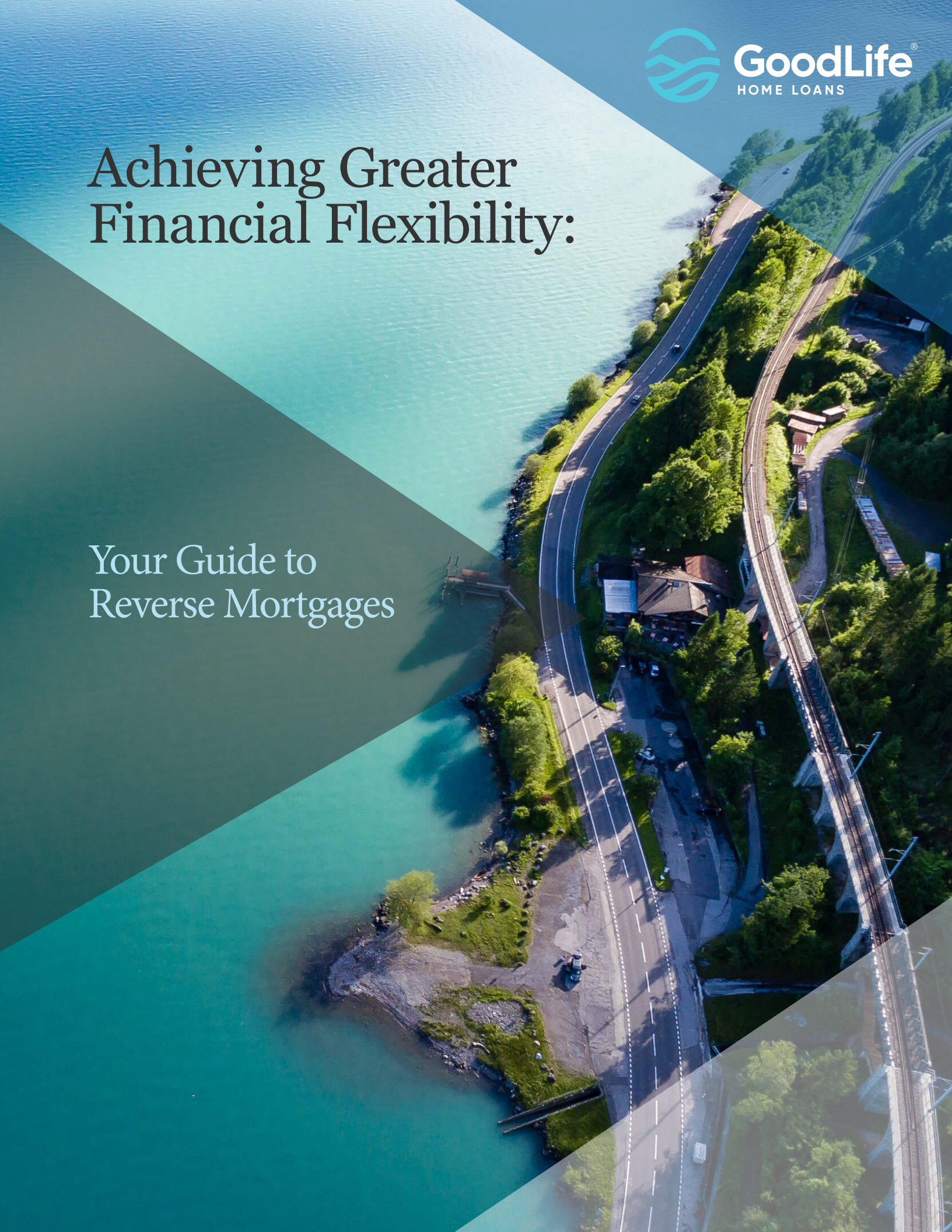
GoodLife®
HOME LOANS

Achieving Greater Financial Flexibility:

Your Guide to Reverse Mortgages



You're not alone if money's a concern as you think about the future. But there's good news. A reverse mortgage makes it possible to access the home equity you've been building – without having to make monthly mortgage payments.

A reverse mortgage is a safe and flexible financial tool that can be used to solve the common challenges and concerns of retirement. There's never been a better time than 2022 to consider a reverse mortgage.

Eligible borrowers may now access up to $970,800 of home equity. This, combined with rising home values, means more money's possible out of a reverse mortgage than ever.

Our company has helped thousands of homeowners take out a reverse mortgage as a means to achieve greater financial flexibility. In so doing, we've earned an A+ rating from the Better Business Bureau and five-star rating on Trustpilot, the world's largest and most trusted open review platform.

We're here to help you learn more about a reverse mortgage. If it's right for you, we can help you get started.

Sincerely,
Ken, Brett and Elisa Dunn
and the GoodLife team of expert
reverse mortgage loan officers

Introduction

If you're age 62 or older, and you don't have as much control over your financial future as you'd like, you're not alone. Homeowners have found a reverse mortgage to be a good way to become more financially secure. Reverse mortgages are a unique way to convert your home equity into cash. The traditional and most popular type of reverse mortgage is a Home Equity Conversion Mortgage (HECM) sponsored by HUD and insured by the FHA. Since the federal government launched the HECM program in 1989, more than one million reverse mortgages have been originated in the United States.

- A reverse mortgage is just a loan. That's all it is.
- You continue to own your home, just like with any other mortgage. You retain the title. When your home is sold, your equity will be given to you or passed to your heirs.
- There's no monthly loan payment required with a reverse mortgage and very few restrictions on how you can use the proceeds.
- Good credit isn't a prerequisite or much of a factor with reverse mortgages. All that really matters is having sufficient home equity.
- Reverse mortgages from reputable lenders are safe and flexible loans that are federally insured and regulated.
- A number of studies have found reverse mortgages to be a good way to maximize income as part of an overall financial planning strategy.
- Because it's essentially a loan payment to a borrower, not a taxable event, a reverse mortgage won't impact your taxable income or tax bracket.
- Reverse mortgage loans can close in as little as 30 days for fast access to up to $970,800 of home equity at today's low interest rate.

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Reverse Mortgages Demystified

SECTION 1

Retire The Stress, Live The Joy

When it comes to a reverse mortgage, the more home equity you have, the more cash you can get for the things you want – without depleting your retirement investments.

The traditional and most popular type of reverse mortgage is a Home Equity Conversion Mortgage (HECM). HECMs are a safe and powerful financial tool used by homeowners ages 62 and older to tap into a portion of their home equity and convert it to cash to supplement retirement income.

HECMs are sponsored by the Department of Housing and Urban Development (HUD) and insured by the Federal Housing Administration (FHA). Since the federal government launched the program in 1989, more than one million reverse mortgages have been originated in the United States.

If you have an existing mortgage, you can use a reverse mortgage to pay it off and use the remaining proceeds just about however you'd like. Establishing a reliable cash flow with a reverse mortgage can help you stay in your home, cover the rising cost of living and medical expenses, allow for home improvement, cover unanticipated expenses, pay for special moments otherwise out of reach and allow you to enjoy leisure activities, such as travel.

Meaning of "reverse" in a reverse mortgage

With a standard mortgage, the balance starts high, and you make payments each month to lower it. With a reverse mortgage, the opposite is true. "Reverse" refers to the reversal in payment flows. The initial loan balance is relatively low, and it grows over time as you draw funds and as interest adds to it. You can draw a specified amount from a reverse mortgage as a monthly payment to yourself, or irregular amounts against a credit line.

A reverse mortgage is a retirement funding tool designed with seniors in mind. What's your vision of retirement? More time with family and friends? A new or renovated home? Helping your grandkids with college tuition? Whatever you want out of life, your home equity can help you fund it – and a reverse mortgage can help you access it.

One of the most common misconceptions about reverse mortgages is that you'll no longer own your home. Rest assured that the title will remain in your name.

SECTION 1

Big News for 2022: More Money's Possible Out of a Reverse Mortgage

In November 2021, the federal government announced an increase in lending limits from $822,375 to $970,800. The FHA made these changes in recognition that home values continue to rise at a rapid pace.

The increase is the largest ever and higher than expected. This news means 2022 could be the year for you to get a reverse mortgage. Now you may access up to $970,800 of home equity at today's low interest rate, saving you thousands of dollars and giving you more financial peace of mind.

When a high-value home exceeds HECM federal lending limits, more money's possible out of a jumbo loan. As will be explained in the next section of this guide, there are features of jumbo reverse mortgages that make them cost effective and highly appropriate for some borrowers.

The amount you can borrow increases as you age, and when interest rates drop or property value rises. The method of disbursement can also affect how much money you get. Funds from a reverse mortgage can be delivered to borrowers in a lump sum payment, monthly installments, a line of credit or a combination of all three.

Reverse Mortgage Proceeds Based on Age and Appraised Property Value (APV)

Age	Percent you can borrow	$100,000 APV	$200,000 APV	$400,000 APV	$600,000 APV	$800,000 APV	$970,800 APV
62	41%	$ 41,000	$ 82,000	$ 164,000	$ 246,000	$ 328,000	$ 398,028
65	43%	$ 43,000	$ 86,000	$ 172,000	$ 258,000	$ 344,000	$ 417,444
70	47%	$ 46,500	$ 93,000	$ 186,000	$ 279,000	$ 372,000	$ 451,422
75	49%	$ 49,200	$ 98,400	$ 196,800	$ 295,200	$ 393,600	$ 477,634
80	53%	$ 53,400	$ 106,800	$ 213,600	$ 320,400	$ 427,200	$ 518,407
85	59%	$ 59,100	$ 118,200	$ 236,400	$ 354,600	$ 472,800	$ 573,743
90	65%	$ 65,300	$ 130,600	$ 261,200	$ 391,800	$ 522,400	$ 633,932

**Rates will vary based on interest rates.*

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Why Get a Reverse Mortgage?

A reverse mortgage is a safe and flexible financial tool that can be used to solve the common challenges and concerns of retirement, including:

- Outliving retirement savings
- Living on a fixed income
- Overly depending on Social Security
- Rising costs of living
- Healthcare expenses
- Ability to enjoy retirement in your own home
- Unexpected expenses

There are any number of reasons you may want to supplement your cash flow without disturbing your invested retirement assets. You may want to pay off your existing mortgage. You may want to enjoy your retirement and do the things you've always wanted. You may want to set up a financial safety net for the future. Here are just a few examples of what you could do with your reverse mortgage proceeds.

- Home renovations
- Home health care
- Travel with family
- Medical expenses
- Pay off your debts
- Help pay for a family member's higher education

Many GoodLife customers share their experience on Trustpilot, the world's largest and most trusted open review platform. It's worth knowing why so many people are glad to have a reverse mortgage.

"I learned about Reverse Mortgages many years ago when I was in the mortgage business. I saw how we helped financially hurting elderly homeowners to keep their homes and live with dignity. Fast forward to now and I found myself needing to have a reverse mortgage because my social security check would be eaten up paying my mortgage, utilities, insurances, and food every month. That's when I decided to get my own reverse mortgage."

Paul Rabbitt, July 22, 2021

"I can now do all the things I wanted to do. New refrigerator, finally get a dish washer home improvement, travel, ..do my Bucket List!!!!!!!!"

Chantal Ringstrom, June 14, 2021

"My 92-year-old father was concerned about the possibility of losing his home if he could no longer care for himself and would have to go into a nursing home. Since he doesn't have the financial ability to support the high monthly costs of living in a care facility, he (or his estate) would most likely lose his home to the state for 'estate recovery.' I looked towards a reverse mortgage as an option to give him peace of mind and the possibility of in-home health care for as long as possible if his health should take a turn. He is very active with no major health issues, takes care of his lawn, and bowls twice a week with scores in the 200's!... Dad now has the ability to draw funds to assist with home care, if it's ever necessary, and will not have to worry about monthly payments or losing his home for the remainder of his life."

Brian Townsend, May 4, 2021

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SECTION
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Start Living the Good Life That You Richly Deserve

With the federal government's recent announcement of the largest single-year increase in lending limits, combined with low interest rates and rising home values, more money's possible out of a reverse mortgage than ever before.

There's no monthly payment required with a reverse mortgage and very few restrictions on how you can use the loan proceeds, which typically are not considered taxable income. However, you should consult a financial advisor and appropriate government agencies for the possible effect they may have on taxes and benefits.

On the heels of the announcement, a groundbreaking study* was published in the Journal of Financial Planning demonstrating reverse mortgages reduce risk and increase wealth for retirees.
Many studies have found reverse mortgages to be a good way to maximize income as part of an overall financial planning strategy.

According to the Association of International Certified Professional Accountants (AICPA), research over the years has consistently demonstrated a reverse mortgage can serve as an effective personal financial planning tool.

AICPA is the global voice of the accounting and finance profession. It's an organization founded by the American Institute of CPAs and The Chartered Institute of Management Accountants.

AICPA advises members to look at a reverse mortgage as one part of a larger strategy to help maximize income. The association takes the stance that a reverse mortgage might be the right loan if the homeowner plans to stay put and can afford the upfront costs.

**To Reduce the Risk of Retirement Portfolio Exhaustion: Include Home Equity as a Non-Correlated Asset in the Portfolio - Journal of Financial Planning, a publication of the Financial Planning Association (FPA), December 1, 2021*

Tax Implications

AICPA points out that a reverse mortgage is essentially a loan payment to borrowers, not a taxable event, and therefore it won't impact your taxable income or tax bracket.

In most cases, the proceeds of a reverse mortgage are not taxable. It is important, however, to discuss your particular situation with a tax professional. The interest on a reverse mortgage is not deductible until the loan is repaid.

According to the IRS website:

Reverse mortgage payments to borrowers are considered loan proceeds and not income. The lender pays you, the borrower, loan proceeds (in a lump sum, monthly advance or line of credit - or a combination of all three), while you continue living in your home.

AICPA cautions homeowners considering a reverse mortgage to be prepared to take a responsible and strategic approach to the use of the funds, such as coordinating the reverse mortgage payment with your existing investment portfolio. Those who are considering taking out a reverse mortgage should be wary of unscrupulous contractors who may try to convince you to take out a reverse mortgage to cover the costs of unnecessary repairs or as part of a house-flipping scheme.

Interest accrued on a reverse mortgage isn't deductible until you pay it (usually when you pay off the loan in full). Also, a deduction of interest may be limited because a reverse mortgage generally is subject to the limit on home equity debt, which is not deductible unless the proceeds are used to buy, build or substantially improve the home that secures the loan.

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SECTION
3

Types of Reverse Mortgages

Life's a Beach. Enjoy the Waves.

If you're an older adult homeowner taking a holistic approach to your retirement plan, bear in mind your home is most likely your largest source of untapped capital. A reverse mortgage is a unique way to convert your home equity into cash.

There are Three Kinds of Reverse Mortgages:

- **Single Purpose -** Offered by some state and local governments, as well as non-profit organizations
- **Proprietary -** Offered by private lenders
- **Federally insured -** Offered by lenders approved by the FHA

Other types of loans to compare with reverse mortgages:

Home Equity Lines of Credit (HELOCs)

Home Equity Loans

We cover each of these in this guide.

Home Equity Conversion Mortgage (HECM):

The term reverse mortgage has become synonymous with HECM. HECMs are the traditional and most popular type of reverse mortgages. They're offered only by lenders approved by the Federal Housing Administration (FHA). The HECM program offers borrowers a variety of options for drawing funds. Funds received from HECM loans can be used to pay for various expenses and activities. The funds are delivered to the borrower either in fixed monthly payments, a line of credit or both.

HECMs are non-recourse loans, meaning you or your heirs never have to pay back more than the home is worth. You'll only be required to repay the loan balance, or 95% of the home's appraised value, whichever is less.

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Jumbo Reverse Mortgage:

Jumbos are proprietary reverse mortgage loans that typically offer higher lending limits than HECMs. In contrast to HECMs, which are regulated by the government, jumbo loans can be much more flexible.

Benefits of a Jumbo

- More cash is available
- Loan amounts up to $4 million
- Attractive low-rate options
- No Mortgage Insurance Premium (MIP) means lower upfront costs
- Same non-recourse protections as a HECM
- Greater flexibility and fewer restrictions
- Less stringent eligibility requirements for condos

With a non-recourse loan, you and your heirs aren't personally liable if the loan amount exceeds the home value when it comes due. You'll never have to pay back more than the home is worth. You'll only be required to repay the loan balance, or 95% of the home's appraised value, whichever is less. Example: Let's say there's a severe market correction, and the value of your home declines. If your balance is $400,000 and your home's appraised value is $300,000, you'd be expected to pay back $285,000.

Deciding Between a HECM and a Jumbo

Similarities

- Both allow you to tap into a portion of your home's equity
- Both offer non-recourse protections

Differences

- For traditional HECMs, borrowers are required to pay mortgage insurance premiums that consist of an upfront payment and ongoing annual payments. However, jumbo reverse mortgages do not require these monthly insurance premiums, which can translate into substantial savings.
- HECMs are backed by the federal government and are subject to strict guidelines and specific lending limits. Jumbos are not regulated, and therefore they can be more flexible.
- Jumbos offer higher lending limits than HECMs. More cash is available with a jumbo loan.

Consider This

Jumbo reverse mortgages offer more cash than a traditional HECM – up to $4,000,000 depending on your home's value – with low costs. In contrast to HECMs, which are regulated by the government, jumbo loans can be much more flexible. Plus, jumbo loans compare favorably to a standard Home Equity Line of Credit (HELOC), with more flexibility and no monthly mortgage payments required.

The recent increase in FHA lending limits means a federally insured and regulated HECM is available to more borrowers. But if your home's value exceeds $400,000, more cash could be available with a jumbo reverse mortgage. Jumbos are a particularly attractive option for those with condos that aren't FHA approved.

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HECM for Purchase:

This type of reverse mortgage allows seniors to purchase a home using the proceeds from a HECM loan. Because it's part of the HECM program, a HECM for Purchase loan is insured by the FHA and offers non-recourse protections. The government created this financing option so seniors wouldn't have to obtain a traditional mortgage to purchase a home and then use a reverse mortgage to pay off the traditional mortgage, which was an expensive and complicated process.

A HECM for Purchase makes it easier for seniors to afford the home they want, preserve more savings and retirement assets, and improve cash flow. A required down payment on a HECM for Purchase is determined by HUD based on interest rate, borrower age and other factors. The rest of the funds for purchase come from the HECM loan.

Single Purpose:

As the name implies, this type of reverse mortgage allows borrowers to use the funds for a lender-approved reason. These loans may be used for only one purpose, which the lender specifies. For example, the lender might say the loan may be used only to pay for home repairs. Most homeowners with low or moderate income can qualify for these loans. Single-purpose reverse mortgages are the least expensive option. Nonprofits and government agencies mainly offer these.

If you're not sure which type of reverse mortgage to get, one of the GoodLife expert reverse mortgage loan officers can help you determine the right one for you.

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Home Equity Line of Credit (HELOC):

When most people think of tapping into home equity for an infusion of cash, a HELOC is what comes to mind. Several major banks and lenders have suspended HELOCs. As it has become more difficult to secure a HELOC, more borrowers are exploring their reverse mortgage options. Often, a HECM is a better option than a HELOC. For borrowers with higher home values, a proprietary jumbo reverse mortgage could substitute for a HELOC.

- HECMs HELOCs require borrowers to make regular payments. Many don't realize that HELOC payments are interest-only in the beginning but fully amortize after 10 years. This can pose a serious problem when the HELOC payment suddenly spikes. In contrast, HECMs don't require borrowers to make monthly payments. But you will have responsibilities with a HECM, such as paying the property taxes, homeowners insurance premiums and home maintenance expenses.

- Unlike a HELOC, HECMs work similarly to HELOCs by allowing you to borrow money based on the value of your home. However, lenders can freeze a HELOC at any time, and it's been known to happen during economic downturns. With a HECM, the lender cannot reduce the amount available to you.

HECMs offer certain advantages that HELOCs do not, such as less restrictive lending requirements. And, unlike a HELOC, the line of credit obtained through a HECM will never be reduced or frozen - so long as you continue to meet all your loan obligations.

How Home Equity Loans Differ from Home Equity Lines of Credit (HELOCs)

Home equity loans and lines of credit are secured against the value of your home equity, so lenders may be willing to offer rates that are lower than they do for most other types of personal loans.

These two types of loans allow borrowers to use their property's equity for various purposes, including to pay off debt, make significant purchases or afford medical care. However, there are a few distinctions that set them apart from each other, including:

- *Types of interest rates:* Home equity loans have fixed interest rates, while HELOCs have variable interest rates. You'll also pay interest on any funds you withdraw with HELOCs.
- *Disbursement method:* Home equity loans are disbursed to the borrower in a one-time, lump-sum payment. HELOCs work similarly to a credit card, where the lender provides a specific loan amount.
- *Length of term:* Funds from a HELOC will be available for a certain period, often five to 10 years. Once this draw period is over, you'll have to pay back what you borrowed or refinance the loan.
- *Required loan payments:* Lenders will need to thoroughly evaluate your finances and examine your debt-to-income ratio to ensure you can pay back the HELOC. HELOCs work for many homeowners, but they're not for everyone. Borrowers needing funds for a one-time event or preferring to receive their cash in a lump-sum with the security of a fixed interest rate may prefer a home equity loan.

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SECTION
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How to Get or Refinance a Reverse Mortgage

Put That Wisdom You've Earned With Age to Good Use

You meet the minimal requirements for taking out or refinancing a reverse mortgage loan if:

- You're age 62 or older
- You own and live in the home as your primary residence
- You've built up substantial equity in the home

With reverse mortgages, you don't have to worry nearly as much about your credit score and credit history. Good credit isn't a prerequisite or much of a factor when getting or refinancing a reverse mortgage. All that really matters is having sufficient home equity.

Planning Considerations

The time it takes to get a reverse mortgage can vary depending on state regulations and how long it takes for the appraisal, counseling session and loan processing. Reverse mortgages can close in as little as 30 days, but it's better to plan for at least 45 to 60 days. Your lender can offer a better estimate for specific areas and situations.

Getting or refinancing a reverse mortgage is an important decision that can have a profound impact on your financial future. You should work with a lender you can rely upon for sound advice and guidance. As you explore your options, consider asking the following questions. If the answers are yes, you're on the right track.

- Will the lender provide me with top-notch service?
- Does the lender receive positive customer ratings and reviews?
- Does the lender have a good rating from the Better Business Bureau?
- Does the lender offer a single point of contact to guide me through the entire process?
- Does the lender have a solid reputation for fast turnaround times?
- Will I be able to close my loan within a reasonable amount of time?
- Is the lender too big to treat me with the individualized attention I need?
- Is the lender too small to handle my business?
- Does the lender have the necessary expertise and credentials?
- Are the loan officers licensed and in good standing with the regulatory authorities?

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- Are the loan officers well trained?
- Do the loan officers have access to the most up-to-date market trends and information?
- Do the loan officers work with state-of-the art technology?
- Does the lender belong to the National Reverse Mortgage Lenders Association (NRMLA)?
- Are the lender's Home Equity Conversion Mortgages federally insured?
- Is the lender a member of the National Reverse Mortgage Lenders Association?
- Is the lender approved by the Department of Housing and Urban Development and the Federal Housing Administration?
- Is the lender an approved Ginnie Mae Issuer?
- Is the lender's rates and fee structure fair and competitive?
- Has the lender consistently offered low interest rates, according to HUD data?
- Does the lender provide special rates and fees for returning customers who seek to refinance their loans?
- Does the lender provide full and transparent disclosure of all applicable fees?

Trustpilot

GoodLife Home Loans

4.9

If you need a reverse mortgage this is the place to go.

We are very pleased with Good Life Loans and Dave Schulte. When we first started the process, I was nervous and thought do I have the right loan company. Can I trust them? I didn't know anything about them. I'd called 3 banks and a loan company in my city just to learn there wasn't anyone here who did reverse mortgages and I didn't know where to go next.

So I turned to the internet and started looking for companies that did reverse mortgages. I contacted one company but they put me on hold for 4 days.. During that time Dave Shulte contacted me and the process began. He put me at ease with the whole process. He was very kind, and patient with me. He was very informed and was able to answer all my questions and never made me feel as though they weren't important. No matter how many times a day I called him I was encouraged to call and ask. He would always return my calls quickly. Dave is very knowledgeable, respectful and able to answer all my questions

Today we closed on our loan. We are so excited and happy. From the first phone call to the loan's completion has been much quicker than I thought it would be. It's taken about a month, and we attribute that to Dave Shulte."

Hope Bowen, December 23, 2021

More at: trustpilot.com/review/goodlifehomeloans.com

SECTION 4

Process

The expert loan officers at GoodLife welcome the opportunity to guide you through the reverse mortgage process. Our goal is to make it as fast and easy for you as possible. Once we begin working together and you decide a reverse mortgage is right for you, here is what's next.

Taking the Steps

- First step is to review your proposal. Our proposals are packed with information that can be hard to decipher without the help of a reverse mortgage expert. We'll be happy to answer any questions you have.
- Next step is for you schedule a counseling session with an independent, government-approved agency. These sessions are designed as a safeguard, to make doubly sure that you're able to make a well-informed decision. We will follow up with you afterward.
- Final step is for us to get an application started. A real estate appraisal is a key feature of the application. From there, our team will move as quickly as possible to close your loan.

Getting an Appraisal

As with Other Real Estate Appraisals, a Reverse Mortgage Appraisal Includes:

- Visual inspection: the appraiser walks through the home to identify which features may enhance or detract from the home's value. Appraisers often take photos and notes.
- Comparative analysis: after a visual inspection, the appraiser compares the home's features to similar homes in the area to determine a comparative value.
- Formal documentation: the appraiser will deliver a final appraisal of the home's value to both lender and borrower.

SECTION 4

Applying for a Reverse Mortgage

There are four basic categories of documentation you will need to provide for a reverse mortgage application:

1. **Identity verification:** Typically, a driver's license or state-issued ID will prove sufficient to show the borrower is at least age 62.

2. **Principal address verification:** Reverse mortgage loans are limited to the primary residence of a borrower, not second or vacation homes. Typically, a driver's license is used to verify the borrower's principal address, but bank statements, tax forms or a voter registration card can be used.

3. **Income verification:** Lenders need documentation of income for maintaining the property and covering insurance and taxes. Common examples of this type of documentation include W-2 or 1099 tax forms, Social Security statements, and pension or retirement fund statements.

4. **Counseling certificate:** The lender must verify the required counseling from a HUD-certified agency has been completed. (GoodLife provides a list of agencies from which to choose.)

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SECTION
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How Much Money's Possible Out of a Reverse Mortgage?

In 2009, the federal government passed The American Recovery and Reinvestment Act (better known as the "Stimulus Bill"). This legislation raised the FHA loan limit for HECM reverse mortgages from $417,000 to $625,500 - enhancing a borrower's ability during a time of economic uncertainty to draw on housing wealth during retirement.

Many expected this to be a one-time occurrence. But every year since, not only has the legislation been extended, but the lending limits have increased. Congress continues to pass additional legislation to improve the benefits of getting a reverse mortgage and add safeguards to the process. This is a signal of the government's continued recognition of the important role a reverse mortgage can play in supplementing retirement income.

The largest single-year increase in lending limits ever was announced for 2022 – from $822,375 to $970,800. This news, combined with low interest rates and rising home values, means eligible borrowers ages 62 and older can lock in a lower rate and access more cash. Effectively, more money's possible out of a reverse mortgage today than ever before.

How to Receive and Use Your Proceeds

The funds you receive from a reverse mortgage can be used for just about whatever you'd like.
There are several ways you may choose to receive your reverse mortgage proceeds. Depending on the amount of equity in your home and your financial circumstances, you can pick between a lump sum payment, fixed monthly payments, a line of credit or a combination of these options. This gives you the flexibility to access your money according to your needs. Whether you'd like the funds upfront to finance an expensive purchase, or in the form of monthly installments to supplement Social Security benefits, the choice is yours.

SECTION
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Risks and Costs of a Reverse Mortgage

Fees and Costs:

As with any loan, a reverse mortgage comes with certain upfront costs. The Department of Housing and Urban Development (HUD) specify the fees lenders may charge. According to the Consumer Financial Protection Bureau, borrowers have the option to roll some or all these costs into their loans.

- Interest rate: As with any loan, you'll have to pay interest. Reverse mortgage interest rates will vary depending on the market conditions, loan amount and lender requirements. Interest rates can be fixed or variable.
- Closing costs: At closing, you may be charged for an inspection, flood certification, appraisal, title search, escrow services and credit check.
- Origination fees: An origination fee is for processing, underwriting and closing your reverse mortgage loan. According to FHA guidelines, an origination fee can be whichever's greater: $2,500 or 2% of the first $200,000 of your property's market value, plus 1% of the value over $200,000. With a HECM, this fee is limited to a maximum of $6,000.
- Mortgage Insurance Premium (MIP): The upfront MIP fee is designed to keep you and the lender protected, ensuring both parties receive what was agreed. You can expect to pay 2% of the value of the home throughout the loan, which equals 0.5% of the outstanding balance. MIP fees can be rolled into your loan, so you don't have to worry about it until a maturity event occurs.
- Annual mortgage insurance: The FHA charges 0.5% of the loan's outstanding balance.
- Required counseling from a HUD-certified agency: This counseling service typically falls in the range of $125-$200.
- Servicing fees: Some lenders may charge a monthly servicing fee to oversee your reverse mortgage until it reaches maturity. This includes maintenance tasks, such as delivering account statements, ensuring your receive proceeds and verifying you're following HECM loan requirements.
- Third-party fees: A reverse mortgage requires you to have an appraisal and home inspection completed. Other third-party fees include document preparation fees, credit report fees, recording fees and title insurance.

Borrower Responsibilities:

The borrower will have responsibilities with a reverse mortgage, such as paying the property taxes, homeowners insurance premiums and home maintenance expenses. A lender will run a credit report to determine whether you have the financial means to meet your obligations. If your lender determines you may have difficulty, you may be required to "set aside" a portion of the loan proceeds. This is a fairly common practice and is referred to as a Life Expectancy Set Aside (LESA). The LESA can provide peace of mind, since you'll know funds have been reserved to meet those obligations.

Borrower Resources

If you fall behind after you get a reverse mortgage, resources are available. If the worst happens, and you find yourself needing to avoid foreclosure, you will be eligible to receive free counseling from one of these HUD-approved counseling agencies:

- National Council on Aging: (800) 510-0301
- CredAbility: (888) 395-2664
- Money Management International: (866) 765-3328
- National Foundation for Credit Counseling: (866) 363-2227
- NeighborhoodWorks America: (888) 990-4326
- Or contact the HUD National Servicing Center at (877) 622-8525 and ask to speak with a "HECM Program Specialist."

Coming Soon from the U.S. Treasury: Reverse Mortgage Borrower Assistance

Reverse mortgages are on the list of mortgage types covered under the new Homeowner Assistance Fund (HAF) program. The U.S. Treasury Department started the program to help struggling homeowners stave off foreclosure and stay in their homes. The HAF program was established under the American Rescue Plan that was signed into law in March of 2021. States will use the HAF guidance to distribute nearly $10 billion to eligible homeowners, including reverse mortgage borrowers who are delinquent on their tax and/or insurance payments.

For more information, visit the HAF website at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund.

1-866-840-0279
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777 108th Avenue NE, Suite 1670, Bellevue, WA 98004

Go with a Lender You Can Trust

It can be hard to know where to go for information on reverse mortgages and which lender to choose. To know us a bit better is to trust that we have your best interests at heart. Our mission is to help older adult homeowners use a reverse mortgage to achieve greater financial flexibility.

Be sure to read our story about how our founder Ken Dunn, former finance professor and dean at Carnegie Mellon University, turned his out-of-the-box thinking into an innovative business with impact.

Read our story

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Our Story

GoodLife Home Loans is Ken Dunn's latest innovation with impact.

Ken had been a popular finance professor at Carnegie Mellon University's business school in the 1980s before serving consecutive terms as dean. It was Ken who inspired the largest donation in the university's history. Ken's former student David Tepper and namesake of what's now the Tepper School of Business credited his success after graduation to Ken "teaching things that aren't in any textbook."

Ken has focused on community service and served on prestigious boards since leaving Carnegie Mellon in 2010. He began thinking about mortgages more than three decades before the financial crisis. Flash forward, and now his Bellevue, Washington-based reverse mortgage company is helping older adult homeowners achieve greater financial flexibility.

Ken leads an accomplished team of executives, professionals and licensed loan officers at GoodLife Home Loans. He and his son Brett Dunn, PhD, and Brett's wife Elisa Dunn, MBA, are bringing their academic and business credentials to their leadership roles at the family-owned company.

GoodLife Home Loans was started as a tribute to Ken's fiercely independent mother. When settling her estate, the family realized she could have benefitted from a reverse mortgage.

For the Dunn family and their team, a business for good is good business. Studies have shown how reverse mortgages reduce risk and increase wealth for retirees. GoodLife Home Loans is in the business to offer an essential risk mitigation tool for retirees to use for dramatically reducing exposure to longevity and market risks, and growing their investment portfolios.

GoodLife Home Loans is well positioned to fulfill the mission of empowering people to take control of their financial future.

Contact us today at 1-866-840-0279 if you'd like to achieve greater financial flexibility through a reverse mortgage.

Or visit us online at goodlifehomeloans.com.

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