5 Ways Retired Educators Can Benefit from the Newly Restructured Reverse Mortgage

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*Changing the **Conversation** about Reverse Mortgages*

Developed by Don Graves

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Baby Boomer Facts:

- Born between 1948 and 1964
- 10,000 a day turn 62
- Will Live Longer than previous Generations
- 75% have not Saved Enough to Sustain Retirement
- More Indebted than Parents
- Most Own their Home

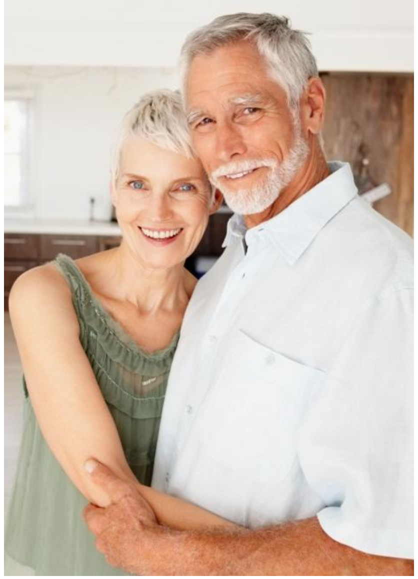
THE NEW FACE OF RETIREMENT

Typical Retirement Planning Picture

Income

Investments

Insurances



Goal

- ❑ Longevity
- ❑ Lifestyle
- ❑ Liquidity
- ❑ Legacy

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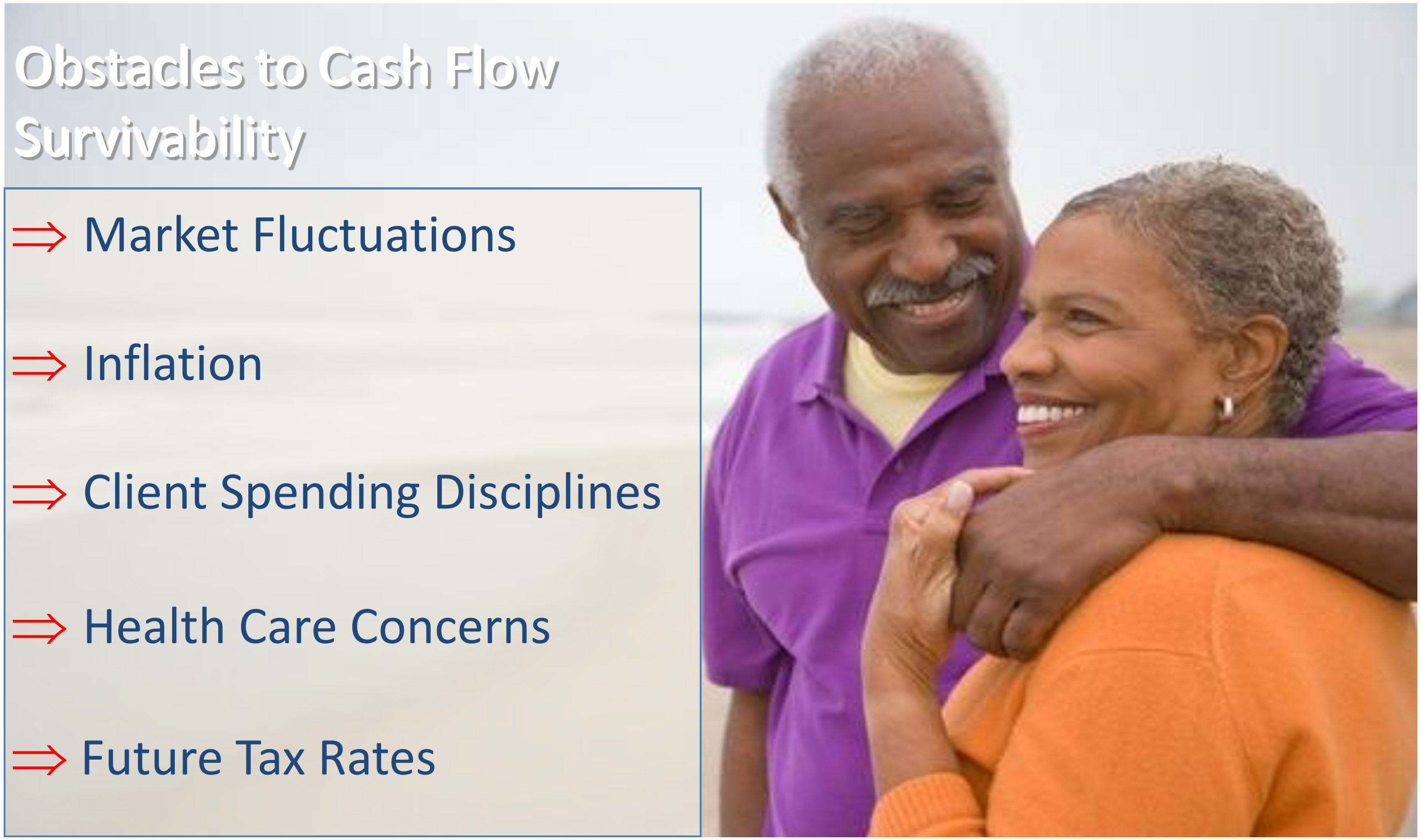
Obstacles to Cash Flow Survivability



- ⇒ Market Fluctuations
- ⇒ Inflation
- ⇒ Client Spending Disciplines
- ⇒ Health Care Concerns
- ⇒ Future Tax Rates

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The Changing Conversation

- How Do Reverse Mortgages and Portfolios Work Together to Increase Retirement Spending?
- FINRA, NAIFA, The Financial Planning Association, The American College, Boston Center for Retirement Research Have all Changed Positions!

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What is the HECM

- **Home Equity Conversion Mortgage (HECM)**
- A Federally Insured Loan since 1988 that allows seniors homeowners age 62 and over to convert a portion of their homes equity and turn it into tax free money.
- Without having to make any monthly payments
- Without Credit Score Requirements to Qualify
- And Without giving up home Ownership
- Income and Risk Factors Determinations Begin March 2015

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How Much Can You Receive

- The Amount of money you can receive from a Reverse Mortgage is based on 3 things:
- The <u>age</u> of the youngest borrower (the older you are the more proceeds are available)
- The <u>value</u> of the property
- The <u>interest</u> rate associated with the program
- March 2015 (Risk Considerations)

How Can Proceeds be Received?

- You can have the proceeds any way you choose.
- Lump Sum,
- Line of Credit,
- Monthly payments or any combination. There are no restrictions.
- A Reverse Mortgage must be a first mortgage, so any other loans, liens, judgments etc must be paid off from the proceeds of the program first.

When Does Loan Get Repaid?

- The loan is repaid when the last surviving borrower permanently departs the home. (either moves or deceases)
- At that time, whatever proceeds were advanced to the borrower plus accrued interest and HUD fees will be repaid
- **100% of the remaining equity is passed on** to the borrower, the heirs or the estate.
- HUD requires payment within 6 months. Extensions are granted in (2) 3 month increments for a typical total of 1 year to repay.

5 Ways Retired Educators Can Benefit from the Newly Restructured Reverse Mortgage

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5 Ways Retired Educators Can Benefit from the Newly Restructured Reverse Mortgage

1. The Standby Line of Credit
2. Cash Flow/Income Maximization
3. Social Security Optimization
4. Wealth Protection/Transfer
5. RightSize and Rebalance

Most Common Strategic Uses:

- **Improving Retirement Plans:**
  A client has a workable or nearly workable retirement plan, but desires an improvement. Increased retirement spending is an example of improved plan, as is planning to age in place at home.
- **Increasing Contingency:**
  A client has a workable retirement plan but little contingency for the unexpected and undesirable: prolonged poor markets, health-related costs, or the need for home modifications or in-home assistance.
- **Rescuing Retirement Income:**
  A client's retirement plan needs a rescue. Something they didn't plan for happened – perhaps a spouse planned to work longer but couldn't, or a spouse took a single life pension payout and now wishes they had elected 100% Joint and Survivor payout.
- **Absolute Last Resort:**
  Clients are in dire circumstances and have no other assets or income left.

#1 The Standby Line of Credit

The Big Surprise!

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The Difference

	HELOC	HECM LOC
As long as the terms of the loan are met, LOC cannot be frozen, reduced or canceled		✓
Unused line of credit grows, regardless of home value		✓
Allows borrowers to tap into their home equity for funds they can use in a variety of ways, while they continue to own their home	✓	✓
No minimum credit score requirements**		✓
No income qualifications**		✓
No monthly mortgage repayment required*		✓
Age based lending (62 and older)		✓
Government-insured loan		✓
Non-recourse provision insures that the borrower can never owe more on the loan than what the house is worth when the loan is repaid		✓

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The Power of the HECM Standby Line of Credit

Amortization Schedule - Annual Projections

Age of Youngest Borrower:	66	Initial Property Value:	$500,000.00
Interest Rate (Expected / Initial):	5.370% / 3.152%	Beg. Mortgage Balance:	$2,406.25
Maximum Claim Amount:	$500,000.00	Expected Appreciation:	4.000%
Initial Principal Limit:	$250,500.00	Initial Line Of Credit:	$248,093.75
Initial Advance:	$0.00	Monthly Payment:	$0.00
Lien Payoffs with Reverse Mortgage:	$0.00	Monthly Servicing Fee:	$0.00
Financed Closing Costs:	$2,406.25	Mortgage Insurance (MIP)	1.25%

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Growing Line of Credit

Yr	Age	SVC Fee	Cash Payment	MIP	Rate	Interest	Loan Balance	Line Of Credit	Property Value	Equity
1	66	$0	$0	$31	5.370%	$133	$2,570	$265,025	$520,000	$516,730
2	67	$0	$0	$33	5.370%	$142	$2,746	$283,112	$540,800	$537,354
3	68	$0	$0	$35	5.370%	$152	$2,933	$302,433	$562,432	$558,799
4	69	$0	$0	$38	5.370%	$162	$3,133	$323,073	$584,929	$581,096
5	70	$0	$0	$40	5.370%	$173	$3,347	$345,122	$608,326	$604,279
6	71	$0	$0	$43	5.370%	$185	$3,576	$368,675	$632,660	$628,384
7	72	$0	$0	$46	5.370%	$198	$3,820	$393,835	$657,966	$653,446
8	73	$0	$0	$49	5.370%	$211	$4,080	$420,713	$684,285	$679,504
9	74	$0	$0	$53	5.370%	$226	$4,359	$449,425	$711,656	$706,597
10	75	$0	$0	$56	5.370%	$241	$4,656	$480,097	$740,122	$734,766

1. Cannot be Cancelled, Reduced or Frozen
2. Built in Cost of Living Adjustment (4-6%)
3. Enjoyment without Impact on Savings
4. Guaranteed Access to Equity - Liquidity when needed
5. Avoid Portfolio Draws During A Bear Market

Acquisition Costs for a HECM Reverse Mortgages (10/23/2014)

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1 MORTGAGE INSURANCE PREMIUM

Insurance that goes to H.U.D. that **guarantees that your total debt repayment can never be greater than the value of your home** at the time of repayment. It also guarantees that you will receive your promised loan advances and not have to repay the loan for as long as you live in the home*. Initial MIP is calculated at .5% of Max Claim if proceeds are less than 60% of Remaining Principle Limit or 2.5% if above

$**2,500**

2 LOAN ORIGINATION

What the Lender is permitted to charge per H.U.D. *(2% of 1st $200,000 home value and 1% after – Max $6,000 Select programs offer $0 origination and even a credit)*

$**(-3,750)**

3 3RD PARTY CHARGES

Fees associated with transacting and closing the loan: * Title Insurance * Appraisal * Credit Report * Settlement fee * Endorsements * Counseling * Flood/Tax Cert* Notary etc.

$**3,656**

* Home must remain Principal Residence, be Maintained, Taxes Paid & Hazard Insurance Kept In Force

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Joseph and Arlene Romano (66) $500,000 Home			
	Standard Bank HELOC	HECM Low Acquisition	HECM Standard
Loan Amount	$250,000	$248,000	$276,000
Financed Acquisition Costs	$500 - $1500	$2,500	$8000
% Rate (Initial)	3.75%	2.76% + FHA MIP (1.25%) = 4.01%	2.95% + FHA MIP (1.25%) = 4.2%
5 Year Growth Balance*	$250,000	$308,000 - $345,000	$320,000 -$357,000
10 Year Growth Balance*	$250,000	$384,000 - $480,000	$394,000 - $491,000

Features of a HECM Line of Credit

✓No Income or Minimum Credit Score Requirements

✓Line cannot be cancelled, reduced or frozen

✓No Monthly Mortgage Payments Required

✓Can be used as a Revolving Line of Credit and Payments Made

✓Built in Cost of Living Adjustments of Unused Line Balance*

Can Reverse Mortgages Help Manage Retirement Income Risks?

Mitigating Sequence of Returns Risk Factors

Meet Dr. Ava Alexander

Dr. Ava Alexander plans to retire when she turns age 65. She will have accumulated $2 million dollars in qualified plan assets that she will roll-over into an individual retirement account (IRA) when she retires. Dr. Alexander expects to immediately begin taking annual distributions of $150,000 from the IRA at the start of each year to supplement her other sources of retirement income. She will invest the account in a diversified portfolio of stocks because she believes that investing in the stock market will give her the best long-term return on her account, even if she needs to ride out a couple of bear markets.

The Problem

Negative Returns in the early stages of retirement places a huge drain on the plans longevity

Dr. Alexander's retirement account

Age	Beginning of Year Balance	Systematic Withdrawal on 1/1	Post Withdrawal Balance	S&P 500 Return	End of Year Balance
65	$2,000,000	$150,000	$1,850,000	-14.80%	$1,576,200
66	1,576,200	150,000	1,426,200	-26.50%	1,048,257
67	1,048,257	150,000	898,257	37.30%	1,233,307
68	1,233,307	150,000	1,083,307	23.70%	1,340,051
69	1,340,051	150,000	1,190,051	-7.30%	1,103,177
70	1,103,177	150,000	953,177	6.60%	1,016,087
71	1,016,087	150,000	866,087	18.60%	1,027,179
72	1,027,179	150,000	877,179	31.10%	1,149,981
73	1,149,981	150,000	999,981	-4.90%	950,982
74	950,982	150,000	800,982	21.10%	969,989
75	969,989	150,000	819,989	22.40%	1,003,667
76	1,003,667	150,000	853,667	6.10%	905,741
77	905,741	150,000	755,741	32.10%	998,333
78	998,333	150,000	848,333	18.60%	1,006,123
79	$1,006,123	$150,000	$856,123	5.20%	**$900,642**

Possible Solution #1

Take no withdrawals from the Plan in the Years following a Negative return. Allowing the portfolio to retain substantial reserves.

Dr. Alexander's retirement account – alternate approach

Age	Beginning of Year Balance	Systematic Withdrawal on 1/1	Post Withdrawal Balance	S&P 500 Return	End of Year Balance
65	$2,000,000	$150,000	$1,850,000	-14.80%	$1,576,200
66	1,576,200	0	1,576,200	-26.50%	1,158,507
67	1,158,507	0	1,158,507	37.30%	1,590,630
68	1,590,630	150,000	1,440,630	23.70%	1,782,059
69	1,782,059	150,000	1,632,059	-7.30%	1,512,919
70	1,512,919	0	1,512,919	6.60%	1,612,772
71	1,612,772	150,000	1,462,772	18.60%	1,734,847
72	1,734,847	150,000	1,584,847	31.10%	2,077,735
73	2,077,735	150,000	1,927,735	-4.90%	1,833,276
74	1,833,276	77,000[1]	1,756,276	21.10%	2,126,850
75	2,126,850	150,000	1,976,850	22.40%	2,419,664
76	2,419,664	150,000	2,269,664	6.10%	2,408,114
77	2,408,114	150,000	2,258,114	32.10%	2,982,969
78	2,982,969	150,000	2,832,969	18.60%	3,359,901
79	$3,359,901	$172,303[1]	$3,187,598	5.20%	**$3,353,353**

[1]These values represent the required minimum distribution from the IRA in that year under federal tax law. Minimum distributions based on the total value of all IRA assets will be required beginning in the year following the year that the account owner turns age 70 ½ . Failure to make the full required minimum distribution will result in an excise tax equal to 50% of the shortfall.

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Possible Solution #1 con't

"By reducing her distributions from the retirement account by a total of $500,697, Dr. Alexander's account value at the end of the 15-year period has increased from $900,642 to $3,353,353 – an increase of $2,452,711 or about 272%"

But this raises a question of <u>where will Dr. Alexander get the supplemental retirement income</u> in those years where she avoided taking income from her retirement account.

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Possible Solution #2

In order to implement this strategy, Dr. Alexander will need an alternate source of income that is not significantly impacted by short-term market volatility

Whole Life Insurance:

Annual Systematic Withdrawal, $100,000 (Annual Income Net Taxes – 33%)

Problem Solved!

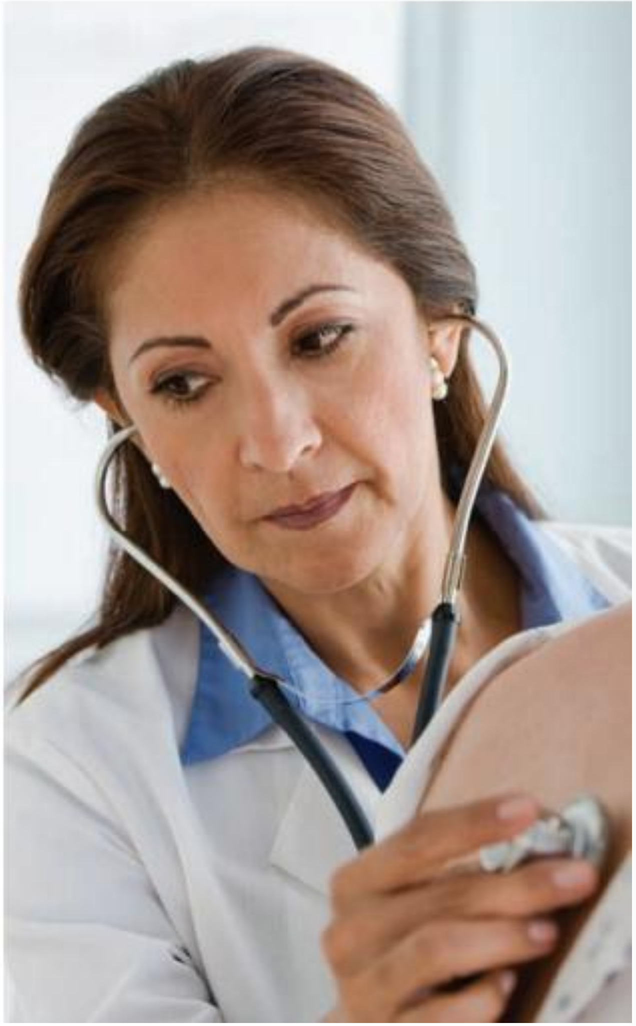
Dr. Alexander's whole life policy

Whole life with premiums payable for 10 years
Female – Age 45, Select Preferred Non-Tobacco
$1,000,000 Face Amount
Annual premium, including Waiver of Premium Rider: $36,160

Age End Year	Annual Surrender Beg Year[3]	Net Cash Value End Year[4]	Net Death Benefit End Year[4]
66	$0	$751,170	$1,503,301
67	100,000	690,090	1,344,759
68	100,000	625,420	1,187,094
69	0	662,697	1,225,629
70	0	702,025	1,265,548
71	100,000	637,793	1,121,158
72	0	675,522	1,158,442
73	0	715,240	1,197,154
74	0	757,045	1,237,304
75	49,000	749,247	1,196,345
76	0	792,525	1,236,851
77	0	837,819	1,278,605
78	0	885,124	1,321,534
79	0	934,459	1,365,609
80	$0	$986,100	$1,411,134

But What if:

- **The Client had not purchased $1million Life Insurance Policy <u>at all</u>**
- **What if they not Purchased <u>Enough</u>**
- **What if they <u>Did NOT Want to Use it</u>**



Solution #3

Use HECM Line of Credit Strategy to Mitigate Sequence Risks

The HECM Line of Credit is put in Place for $317,000 and is used to Supplement of Replace draws against the portfolio in a Bear Market

Beginning of Year Balance	Systematic Withdrawal on 1/1	Post Withdrawal Balance	S&P 500 Return	End of Year Balance
$2,000,000	$150,000	$1,850,000	-14.80%	$1,576,200
1,576,200	0	1,576,200	-26.50%	1,158,507
1,158,507	0	1,158,507	37.30%	1,590,630
1,590,630	150,000	1,440,630	23.70%	1,782,059
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1,833,276	77,000[1]	1,756,276	21.10%	2,126,850
2,126,850	150,000	1,976,850	22.40%	2,419,664
2,419,664	150,000	2,269,664	6.10%	2,408,114
2,408,114	150,000	2,258,114	32.10%	2,982,969
2,982,969	150,000	2,832,969	18.60%	3,359,901
$3,359,901	$172,303[1]	$3,18[illegible]598	5.20%	**$3,353,353**

The Difference in Outcomes

32.10%	998,333
18.60%	1,006,123
5.20%	**$900,642**

$2,452,711

Yr	Age	Line Of Credit
1	65	$331,132
2	66	$345,700
3	67	$360,908
4	68	$376,786
5	69	$393,361
6	70	$410,667
7	71	$428,733
8	72	$447,594
9	73	$467,285
10	74	$487,842
11	75	$509,304
12	76	$531,710
13	77	$555,101
14	78	$579,522
15	79	$605,016
16	80	$631,633
17	81	$659,420
18	82	$688,430
19	83	$718,716
20	84	$750,334

Minimum Guaranteed Growth of 3.8 – 6.2%

Line Of Credit
$337,480
$359,080
$382,062
$406,516
$432,535
$460,219
$489,675
$521,016
$554,363
$589,845
$627,597
$667,766
$710,506
$755,981
$804,367
$855,850
$910,628
$968,912
$1,030,927
$1,096,910

Other Key Benefits - HECM Line of Credit

1 ______________________

2 ______________________

3 ______________________

4 ______________________

5 ______________________

6 ______________________

7 ______________________

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When to Suggest a HECM

What's This Homeowner's Highest and Best Use?

Homeowner's Highest and Best Use	Cash Access Method
"What-If" Safety Net - Health Care, …	Line of Credit
Don't use Portfolio in Bear Market: Increase SWR	Line of Credit
Increase Sustainable Withdrawal Rate (SWR)	Line of Credit or Monthly Income
Defer Social Security or Pension	Line of Credit or Monthly Income
Regular Tax-free Cash Flow	Monthly Income
Pay off Existing Mortgage	Lump Sum
Reduce High Cost Debt	Lump Sum
Purchase New Home: Right-size or Up-size	HECM for Purchase
Purchase Vacation Home	Lump Sum
Aging-in-place: Remodeling & Home Care	Line of Credit
Fund Existing Long Term Care or Life Insurance	Line of Credit
Divorce Settlement	Lump Sum

#2 Cash Flow/Income Maximization

What it the immediate and long term impact a retired educator could realize by paying off an existing mortgage? What's the impact of swapping an existing mortgage/Home Equity Loan with a Reverse Mortgage and continuing to Make Payments if they choose?

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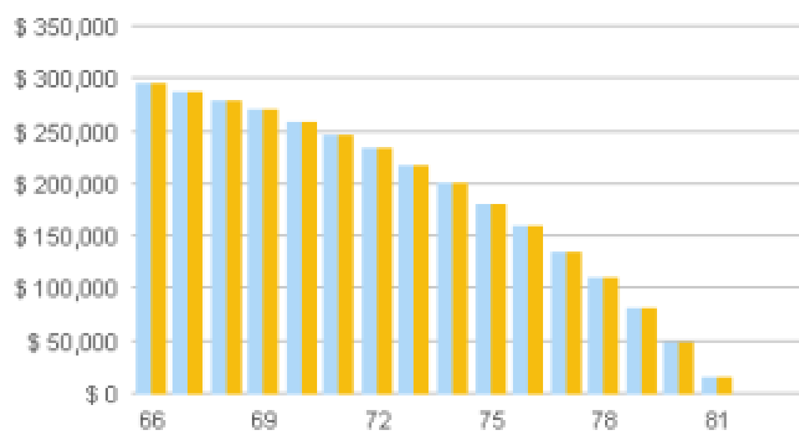
Retirement With a Monthly Mortgage Payment

Client Summary

- Age of Youngest Borrower: (66)
- Value of Portfolio: $300,000
- Current Monthly Draw: $2,000
- Existing Mortgage Payments: $800



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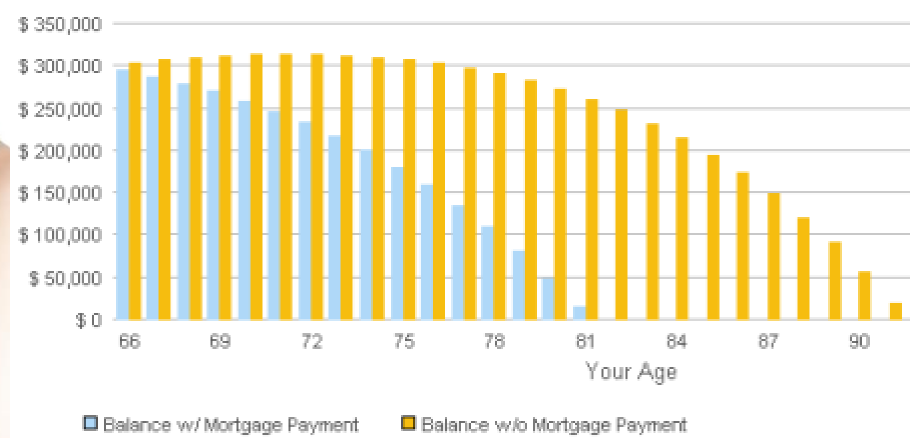
Assumes 3% per year inflation adjustment
6% portfolio growth

Retirement Without a Monthly Mortgage Payment

Client Summary

- Age of Youngest Borrower: (66)
- Value of Portfolio: $300,000
- Current Monthly Draw: $1,200
- Existing Mortgage Payments: $0



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Assumes 3% per year inflation adjustment
6% portfolio growth

What Can $800 a Month Extra Accomplish?

1 ____________________ →

2 ____________________ →

3 ____________________ →

4 ____________________ →

5 ____________________ →

6 ____________________ →

7 ____________________ →

What If You Switched Mortgages for a HECM!

Client Summary

- Age of Youngest Borrower: (66)
- Value of Portfolio: $300,000
- Current Monthly Draw: $2,000
- Existing Mortgage Payments: $800

Switch to HECM Reverse Mortgage

WHY?

What if they continued to Make a Monthly Payment What Could Happen?

HECM Benefit - **$239,748**

Home Equity Loan Payoff – **$100,000**

Remaining Line of Credit - **$139,748**

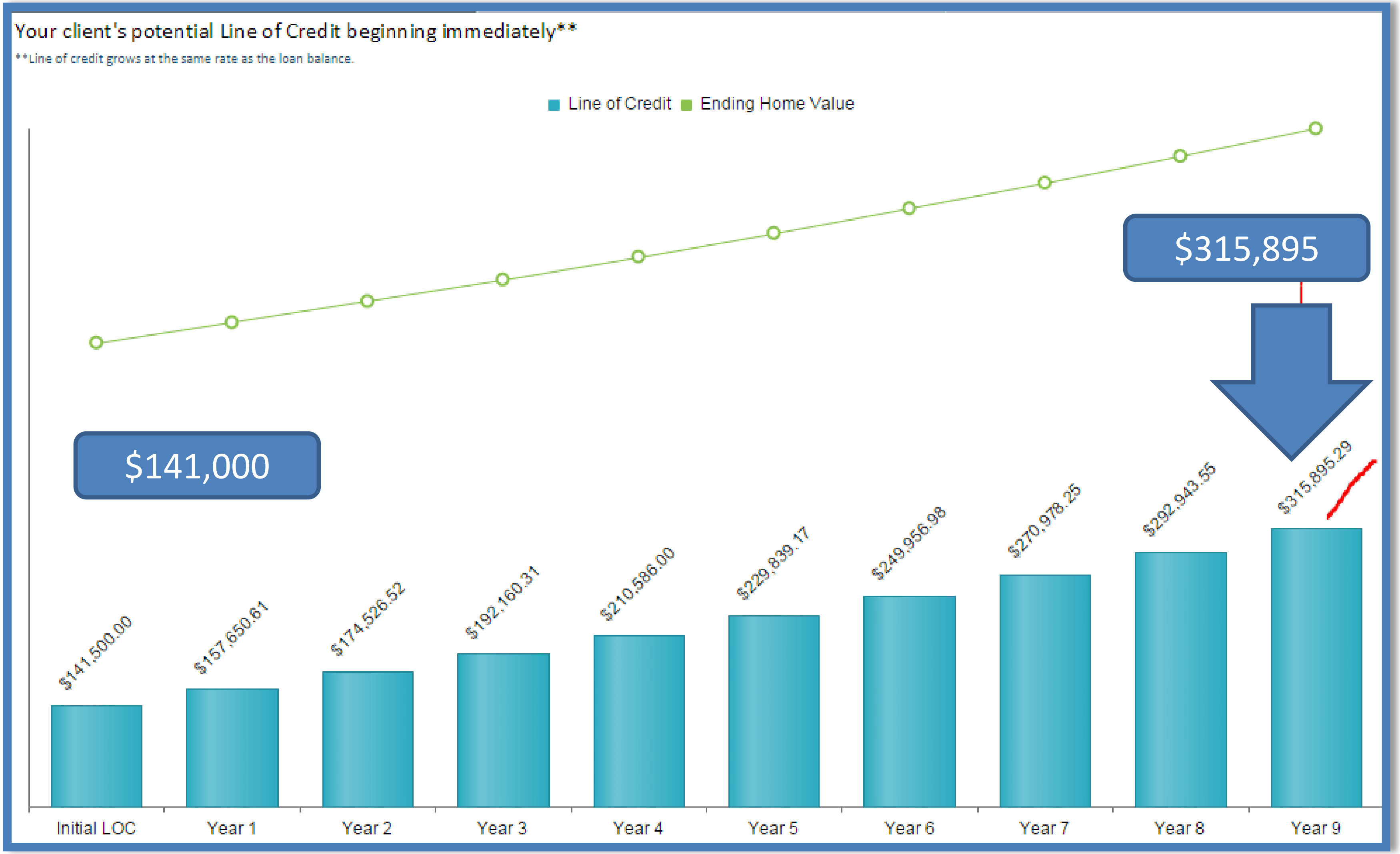
Loan Balance Goes Down!!

YEAR	MONTH	LINE OF CREDIT	TENURE PAYMENT	INTEREST	MIP AMOUNT	REPAYMENT	LOAN BALANCE	HOME VALUE	HOME EQUITY
0		$141,500.00	$0.00	$0.00	$2,500.00	$0.00	$107,500.00	$500,000.00	$392,500.00
1		$157,650.61	$0.0 [illegible]	[illegible]	[illegible],315.51	$9,600.00	$102,531.65	$520,000.00	$417,468.35
2		$174,526.52	$0.0 [illegible]	[illegible]	[illegible]	[illegible]9,600.00	$97,340.18	$540,800.00	$443,459.82
3		$192,160.31	$0.0 [illegible]	[illegible]	[illegible],185.92	$9,600.00	$91,915.57	$562,432.00	$470,516.43
4		$210,586.00	$0.00	$2,815.05	$1,116.73	$9,600.00	$86,247.35	$584,929.28	$498,681.93
5		$229,839.17	$0.00	$2,632.80	$1,044.43	$9,600.00	$80,324.57	$608,326.45	$528,001.88
6		$249,956.98	$0.00	$2,442.36	$968.88	$9,600.00	$74,135.81	$632,659.51	$558,523.70
7		$270,978.25	$0.00	$2,243.37	$889.94	$9,600.00	$67,669.12	$657,965.89	$590,296.77
8		$292,943.55	$0.00	$2,035.44	$807.46	$9,600.00	$60,912.02	$684,284.53	$623,372.51
9		$315,895.29	$0.00	$1,818.18	$721.27	$9,600.00	$53,851.47	$711,655.91	$657,804.44
10		$339,877.76	$0.00	$1,591.16	$631.21	$9,600.00	$46,473.83	$740,122.14	$693,648.31
11		$364,937.26	$0.00	$1,353.94	$537.11	$9,600.00	$38,764.88	$769,727.03	$730,962.15

Monthly Repayments

Loan Balance Decrease but the Available Line of Credit Increases

Line of Credit Grows More!!

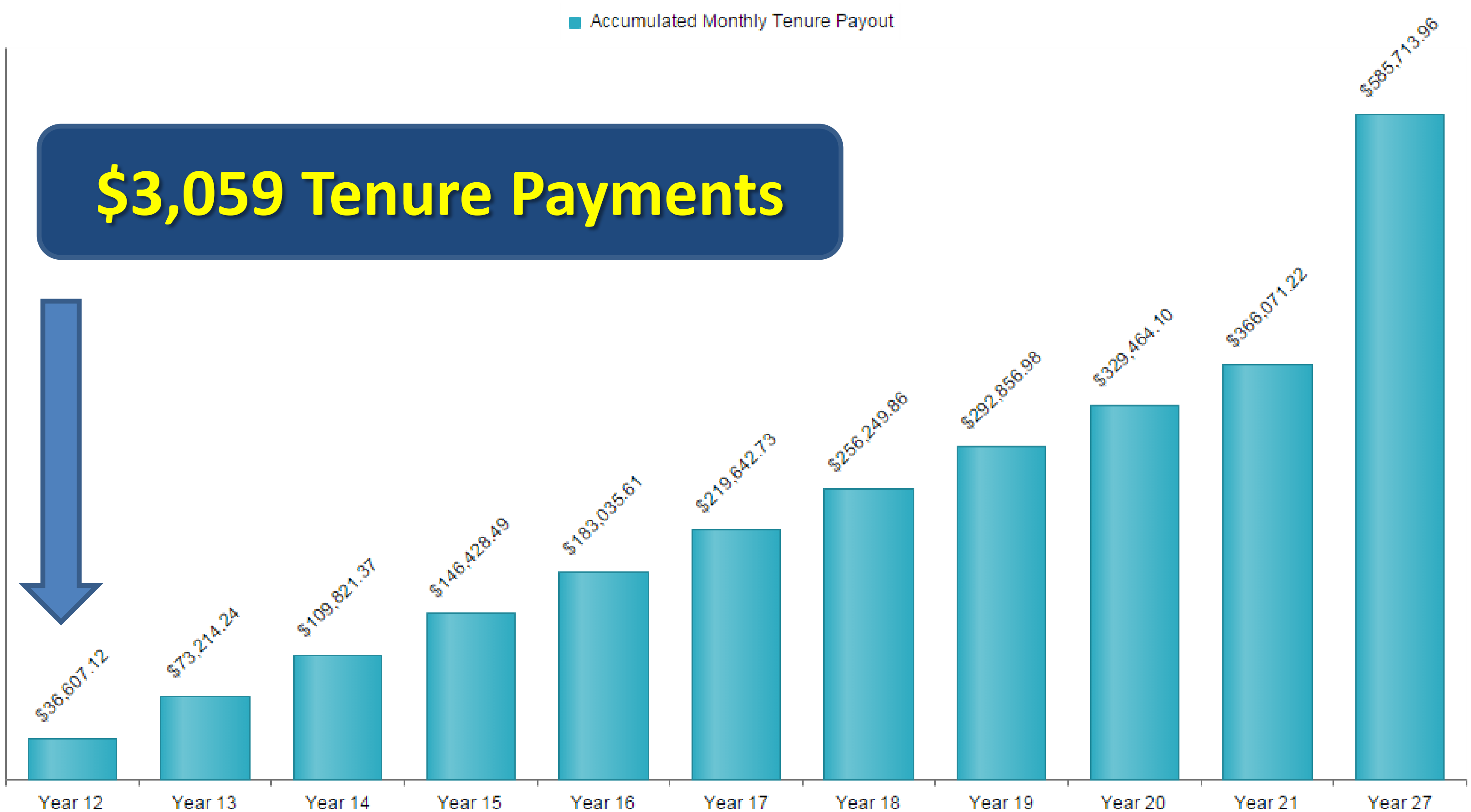


In Year 12 They Can Receive!

Managed Line of Credit | Deferred Tenure Payments | Loan Balance & Schedule

Your client's potential Tenure Payments beginning year 12 is estimated to be **$3,050.59 / Month****

** Monthly tenure payments are calculated on the age of the youngest borrower and the expected interest rate applied to the current line of credit.



#3 Social Security Optimization

How can I Optimize Social Security if I need the Income when I turn 62?

Paid off $100,000 Mortgage and Took a $1,500 Monthly Income for 8 Years

Age of Youngest Borrower:	66	Initial Property Value:	$500,000.00
Interest Rate (Expected / Initial):	5.470% / 3.153%	Beg. Mortgage Balance:	$102,751.25
Maximum Claim Amount:	$500,000.00	Expected Appreciation:	4.000%
Initial Principal Limit:	$242,500.00	Initial Line Of Credit:	$27,972.33
Initial Advance:	$0.00	Monthly Payment:	$1,500.00
Lien Payoffs with Reverse Mortgage:	$100,000.00	Monthly Servicing Fee:	$0.00
Financed Closing Costs:	$2,751.25	Mortgage Insurance (MIP)	1.25%

NOTE: Actual interest charges and property value projections may vary from amounts shown. Available credit will be less than projected if funds withdrawn from line-of-credit.

			Annual Totals				End of Year Projections			
Yr	Age	SVC Fee	Cash Payment	MIP	Rate	Interest	Loan Balance	Line Of Credit	Property Value	Equity
1	66	$0	$18,000	$1,449	5.470%	$6,341	$128,542	$29,911	$520,000	$391,033
2	67	$0	$18,000	$1,782	5.470%	$7,796	$156,120	$31,984	$540,800	$384,255
3	68	$0	$18,000	$2,137	5.470%	$9,352	$185,609	$34,201	$562,432	$376,398
4	69	$0	$18,000	$2,517	5.470%	$11,016	$217,142	$36,571	$584,929	$367,362
5	70	$0	$18,000	$2,924	5.470%	$12,795	$250,861	$39,106	$608,326	$357,041
6	71	$0	$18,000	$3,359	5.470%	$14,697	$286,917	$41,817	$632,660	$345,318
7	72	$0	$18,000	$3,823	5.470%	$16,731	$325,471	$44,715	$657,966	$332,070
8	73	$0	$18,000	$4,320	5.470%	$18,906	$366,698	$47,814	$684,285	$317,161
9	74	$0	$0	$4,728	5.470%	$20,688	$392,114	$51,128	$711,656	$319,117
10	75	$0	$0	$5,055	5.470%	$22,122	$419,291	$54,671	$740,122	$320,407

Social Security Optimization/Fixed Term Payments

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#4 Wealth Protection/Transfer

How can I pass the Maximum Amount of Tax Free Wealth to the Next Generation

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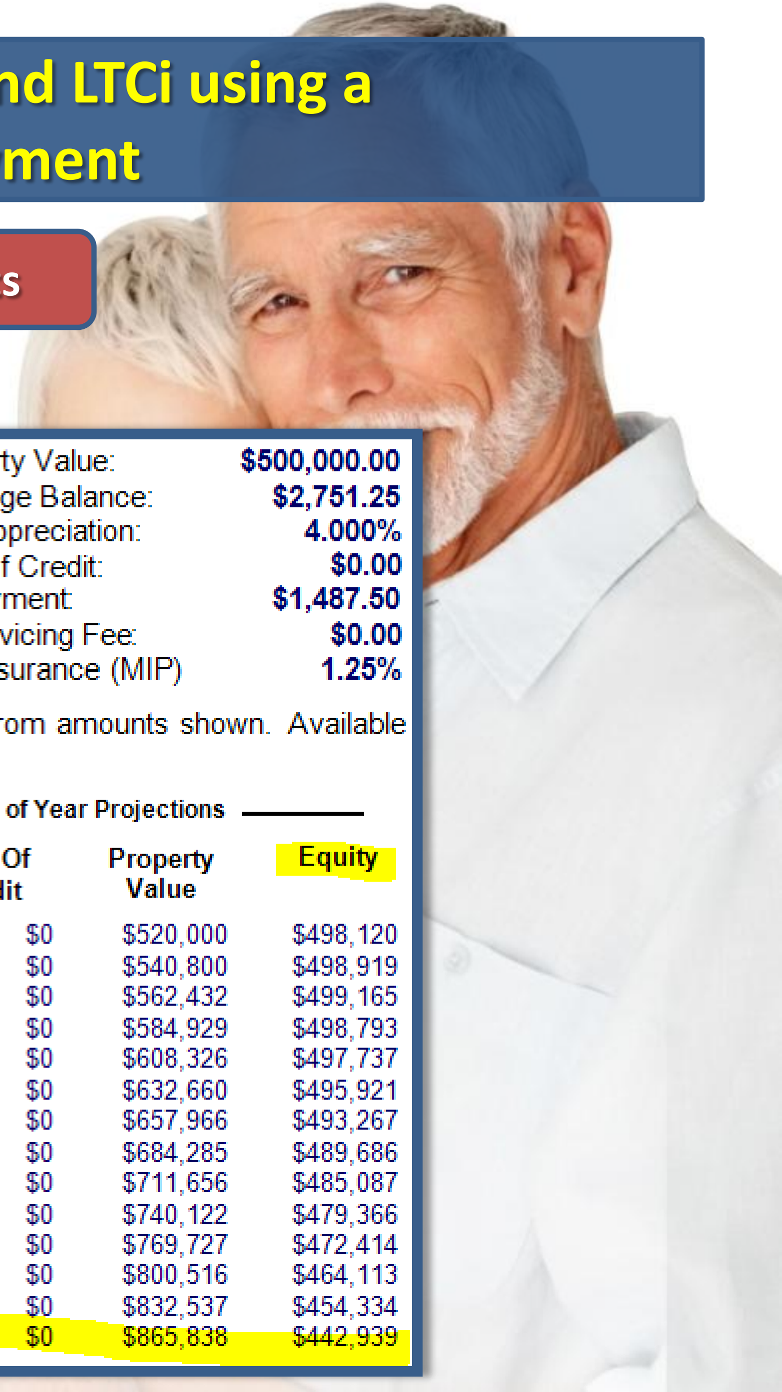
Purchased Life Insurance and LTCi using a $1,487 Tenure Payment

Tax Free Wealth Transfer | **Protection of Assets**



Age of Youngest Borrow	66	Initial Property Value:	$500,000.00
Interest Rate (Expected ial):	5.470% / 3.153%	Beg. Mortgage Balance:	$2,751.25
Maximum Claim Amoun	$500,000.00	Expected Appreciation:	4.000%
Initial Principal Limit:	$242,500.00	Initial Line Of Credit:	$0.00
Initial Advance:	$0.00	Monthly Payment:	$1,487.50
Lien Payoffs with Rever lortgage:	$0.00	Monthly Servicing Fee:	$0.00
Financed Closing Costs:	$2,751.25	Mortgage Insurance (MIP)	1.25%

NOTE: Actual interest ges and property value projections may vary from amounts shown. Available credit will be less than p ted if funds withdrawn from line-of-credit.

			Annual Totals				End of Year Projections			
Yr	Age	SVC Fee	Cash Payment	MIP	Rate	Interest	Loan Balance	Line Of Credit	Property Value	Equity
1	66	$0	$17,850	$159	5.470%	$695	$21,455	$0	$520,000	$498,120
2	67	$0	$17,850	$400	5.470%	$1,750	$41,456	$0	$540,800	$498,919
3	68	$0	$17,850	$658	5.470%	$2,879	$62,842	$0	$562,432	$499,165
4	69	$0	$17,850	$934	5.470%	$4,085	$85,711	$0	$584,929	$498,793
5	70	$0	$17,850	$1,228	5.470%	$5,375	$110,165	$0	$608,326	$497,737
6	71	$0	$17,850	$1,544	5.470%	$6,755	$136,313	$0	$632,660	$495,921
7	72	$0	$17,850	$1,881	5.470%	$8,230	$164,274	$0	$657,966	$493,267
8	73	$0	$17,850	$2,241	5.470%	$9,808	$194,173	$0	$684,285	$489,686
9	74	$0	$17,850	$2,627	5.470%	$11,494	$226,144	$0	$711,656	$485,087
10	75	$0	$17,850	$3,039	5.470%	$13,298	$260,331	$0	$740,122	$479,366
11	76	$0	$17,850	$3,480	5.470%	$15,227	$296,888	$0	$769,727	$472,414
12	77	$0	$17,850	$3,951	5.470%	$17,289	$335,978	$0	$800,516	$464,113
13	78	$0	$17,850	$4,455	5.470%	$19,495	$377,778	$0	$832,537	$454,334
14	79	$0	$17,850	$4,994	5.470%	$21,853	$422,474	$0	$865,838	$442,939

#5 RightSize and Rebalance

How to Add Money and Peace of Mind
at the Same Time

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HECM for Purchase Analysis

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Sell the Home and Have

$ 400,000 (1)

Price of the NEW Home:

$ 600,000 (2)

Reverse for Purchase Make

- $ 300,000 (3)

Client must ADD their Own Money:

= $ 300,000 (4)

Cash Remaining

$100,000 (5)

1. Net Proceeds from Sale of Your Home
2. Sale Price of Home You Desire to Purchase
3. Proceeds from the Reverse for Purchase
4. Amount of Down Payment You Must Bring to Settlement
5. Funds Left over after the Transaction

Courtesy of Don Graves – HECM For Purchase Specialist. (215) 732-0814 | Don@DonGraves.com | www.AskDonGraves.com

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HECM for Purchase Analysis

HECM ADVISORS GROUP
*Changing the **Conversation** about Reverse Mortgages*

Sell the Home and Have

$ 500,000 (1)

Price of the NEW Home:

$ 300,000 (2)

Reverse for Purchase Make

- $ 150,000 (3)

Client must ADD their Own Money:

= $ 150,000 (4)

Cash Remaining

$350,000 (5)

1. Net Proceeds from Sale of Your Home
2. Sale Price of Home You Desire to Purchase
3. Proceeds from the Reverse for Purchase
4. Amount of Down Payment You Must Bring to Settlement
5. Funds Left over after the Transaction

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The New FHA Reverse Mortgage for HOME PURCHASE

Sell the Home and Have

$______________

Price of the NEW Home:

$______________

Reverse for Purchase Makes:

- $______________

Cash Remaining

Client must ADD their Own Money:

= $______________

the Home and Have

____

Price of the NEW Home:

$______________

Reverse for Purchase Makes:

- $______________

Cash Remaining

Client must ADD their Own Money:

= $______________

Sell the Home and Have

$______________

Price of the NEW Home:

$______________

Reverse for Purchase Makes:

- $______________

Cash Remaining

Client must ADD their Own Money:

= $______________

5 Ways Retired Educators Can Benefit from the Newly Restructured Reverse Mortgage

1. The Standby Line of Credit
2. Cash Flow/Income Maximization
3. Social Security Optimization
4. Wealth Protection/Transfer
5. RightSize and Rebalance

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5 Ways to Connect with Don

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- Website www.AskDonGraves.com
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- Mobile Phone 215-313-7587
- Email Updates and Case Studies

Don Graves

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