

Reverse Mortgage Loans

Program Highlights and Eligibility Requirements

What is a Reverse Mortgage?

Reverse Mortgages enable eligible homeowners to access money they have built up as equity in their homes. They are primarily designed to strengthen seniors' personal and financial independence by providing funds **WITHOUT A MONTHLY PAYMENT** burden during their lifetime in a home.

The loans were designed by the U.S. Department of Housing and Urban Development (HUD), Fannie Mae, and some private placement sources. Most of the loans are insured by the Federal Housing Administration (FHA).

Who can obtain a Reverse Mortgage?

All applications must be 62 years of age or older and either own a home or be seeking a home to purchase.

What are the benefits of a Reverse Mortgage?

Some of the largest benefits realized include:

1. Tax-Free funds for as long as you live in your home.
2. No loan repayment for as long as you live in your home.
3. No income, medical or credit requirements.
4. Retain ownership of your home for life, guaranteed!
5. There are no restrictions on how you choose to use the loan proceeds.
6. Upon sale of the property, any and all remaining equity, after repayment of the loan, **REMAINS WITH YOU AND YOUR HEIRS!**
7. You will never owe more than the value of the home at the time of repayment, even if the loan balance exceeds the value of the property. This means that **NO DEBT WILL BE PASSED ON TO HEIRS!**

Are there any borrower protections provided?

Yes! Borrowers are required to complete counseling that is specifically designed for Reverse Mortgages and provided by government or lender approved sources. This insures that all borrowers understand the program features and requirements along with presenting other options that may exist. Additionally, many of the loans are insured by FHA and/or backed by Fannie Mae to guarantee loan terms and payments for as long as you live in your home.

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How do I access the loan proceeds?

The loan proceeds are available in a number of ways:

1. **Lump sum disbursement.**
2. **Monthly payments made TO the borrower/owner.**
3. **A Line of Credit.**

What types of properties are eligible for Reverse Mortgage?*

All properties must be owner-occupied as your primary residence, and the property must be either:

1. **One -to Four - Unit dwelling.**
2. **A Condominium.**
3. **A unit in a Planned Unit Development.**
4. **Manufactured Housing and Leasehold properties may be eligible.**
(All properties must meet lender/investor guidelines.)

Does My Property Have To Be Completely Debt-Free?

No! But any indebtedness that exists on the property must be paid off at closing.

What factors determine how much of a loan I can Qualify for?*

- The age of the youngest borrower/owner
- The maximum claim amount and the number of borrowers/owners.
- The expected average interest rate.
- The property valuation.

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