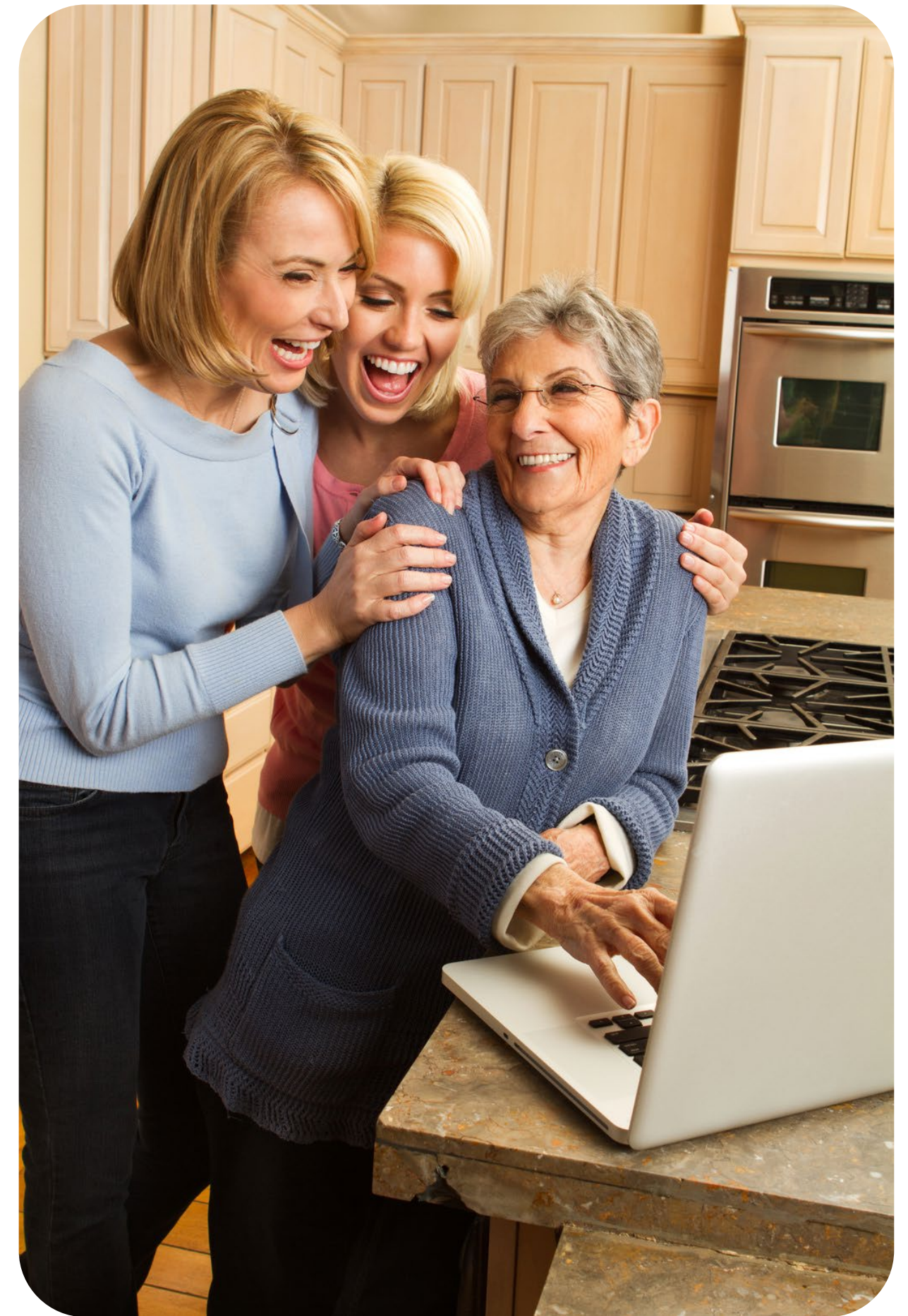




# REVERSE MORTGAGES

YOUR NEW BEGINNING

TRAINING 2024







# WHAT IS A REVERSE MORTGAGE?



REVERSE MORTGAGE



- A reverse mortgage is a type of loan that allows seniors to borrow against their home equity. The loan is based on the borrower's age, home value, and equity in the home.

- A reverse mortgage is a refinancing option where you don't have to pay your mortgage every month. It's up to you if you want to make payments or not.

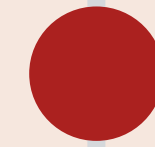
- The loan is repaid when the borrower moves out or passes away.

- The borrower must maintain property taxes and insurance for the property.





# WHO QUALIFIES?



## SENIORS

- Seniors aged 62 years or older qualify (spouses under the age of 62 also qualify).
- Ownership of an FHA -eligible property is required .
- Living in the home as the primary residence is necessary.
- Sufficient home equity is necessary .



## PROPERTIES

# ELIGIBILITY

- **Eligible Properties:**
  - ✓ Single family (Attached or Detached)
  - ✓ 1-4 units, (1 unit must be owner occupied)
  - ✓ Manufactured homes
  - ✓ Condominiums and PUDs (FHA Approved)
- **Non-Eligible Properties:**
  - ✗ Investment properties
  - ✗ Vacation homes
  - ✗ Cooperatives
  - ✗ Bed and Breakfasts

1

PROPERTY TAXES



2

HOMEOWNERS ASSOCIATION



# WHAT ARE THEY RESPONSIBLE FOR?

3

HOMEOWNERS INSURANCES



4

PROPERTY MAINTENANCE



FINANCIAL RESPONSIBILITY



# FINANCIAL ASSESSMENT REQUIREMENTS



- Assessing credit history is required, with no credit score requirement.
- Assessing property charge payment history is required.
- Calculate Residual Income

# BENEFITS OF THE REVERSE MORTGAGE LOAN



- Monthly mortgage payments are not required.
- The loan is repaid after the borrower passes away or moves out.
- Borrowers can receive the money from the reverse mortgage loan in the following ways:
  - - One lump sum
  - - Line of credit
  - - Monthly payments
- They've spent their lives working for their home; now it's time to let their home work for them.



# HECM TO HECM



## REFINANCING YOUR CURRENT HECM

- Pay off an existing HECM
- Access to more equity is available, assuming the home has appreciated in value.
- To slow down negative amortization, the interest rate can be reduced.



# HECM FOR PURCHASE



- Borrowers can utilize the reverse mortgage to purchase their next home without having a monthly mortgage obligation.
- Loan-to-value and qualifications remain the same. The borrower must provide approximately 50% for the down payment.
- This is common when seniors are considering downsizing from their current home or relocating closer to family.

Reverse Mortgage Pre-Qualification Form

\*Counseling must be done prior to application in TN and VT  
\*No services can be ordered until the 7th day after counseling in CA & CT  
\*NBS in TX is not allowed



- ☐ Quote
- ☐ Counseling Package
- ☐ Application Package
- ☐ Attach Tri-Merge Credit Report

\*Highlighted fields are necessary

Application Taken By

☐ Face to Face

☐ Mail

☐ Telephone

Application Delivery Date

Loan Officer Name

Loan Officer NMLS ID

Loan Officer Company

Loan Officer Mobile

Notes/Special Instructions:

Borrower Full Name

☐ Male ☒ Female

Date of Birth

☒ Married ☒ Unmarried

Home Phone

SSN

Immigration

☒ US Citizen

☒ Legal/ Perm Resident

☒ Other

Email Address

Ethnicity

☐ Not Hispanic or Latino

☐ Hispanic or Latino

☐ Not Disclosed

Race:

☒ American Indian

☒ Asian

☐ Black or African American

☐ Pacific Islander

☐ White

☐ Not Disclosed

\*IF THE BORROWER IS MARRIED WE MUST KNOW THE SPOUSE'S DOB UNLESS THE SPOUSE DOES NOT RESIDE IN THE SUBJECT PROPERTY\*

Co-Borrower Full

☐ Male ☐ Female

Name

☐ Married ☐ Unmarried

Date of Birth

SSN

Home Phone

Email Address

Immigration

☐ US Citizen

☐ Legal/ Perm Resident

☐ Other

Race

☐ American Indian

☐ Asian

☐ Black or African American

☐ Pacific Islander

☐ White

☐ Not Disclosed

Ethnicity

☐ Not Hispanic or Latino

☐ Hispanic or Latino

☐ Not Disclosed

Property Address:

ZIP Code:

Monthly Income

Est. Property Value

Primary Residence

☐ YES ☐ NO

Monthly Min. Pymts

Existing MTG Balance

Owner Occupied

☐ YES ☐ NO

Property Tax Amt

Add'l Liens to Payoff

Existing FHA Loan

☐ YES ☐ NO

Hazard Insurance AMT

Outstanding Judgment

☐ YES ☐ NO

Property in Bankrupcy

☐ YES ☐ NO

Square FT of Home

Default on Federal Debt

☐ YES ☐ NO

Property in Foreclosure

☐ YES ☐ NO

N° of Adults in Home

Power of Attorney

☐ YES ☐ NO

Property Held in Trust

☐ YES ☐ NO

BWR Incompetent

☐ YES ☐ NO

BWR Incapacitated

☐ YES ☐ NO

Property Type

☐ SFR ☐ Multi Unit ☐ Condo (FHA Approved)

☐ Manufactured Home ☐ Modular Home

Estate

☐ Fee Simple ☐ Life Estate ☐ Leasehold

Purpose of Loan

☐ Add'l Income ☐ Home Improv. ☐ Eliminate Mortgage ☐ Leisure ☐ Medical ☐ Pay Taxes/Insurance

☐ Other

1 Counseling

2 Application

3 FHA Case Number Request

4 Order Services (Appraisal/Title)

5 Submit to UW



PRE-QUALIFICATION

The form contains all the necessary information for your account executive to quote and price out your scenarios..



# SUBMISSION CHECKLIST



TL | 2024

Please email all the following to [INTAKE@TRUSTLENDING.NET](mailto:INTAKE@TRUSTLENDING.NET) with the subject line "NEW SUBMISSION: [BORROWER FIRST, LAST NAME]".

Also, ensure to copy [CROBLEDO@TRUSTLENDING.NET](mailto:CROBLEDO@TRUSTLENDING.NET) on all emails.

- ✓ APPLICATION WITH DISCLOSURES
- ✓ HECM COUNSELING CERTIFICATE SIGNED AND DATED
- ✓ LEGIBLE COPY OF BORROWER(S) ID
- ✓ LEGIBLE COPY OF BORROWER(S) SOCIAL SECURITY
- ✓ TRUST LENDING CONTACT SHEET
- ✓ CREDIT REPORT
- ✓ SOCIAL SECURITY AWARDS LETTER
- ✓ PAYSTUBS(IF WORKING)
- ✓ HOMEOWNERS TAX CERTIFICATE
- ✓ HAZARD-FLOOD INSURANCE POLICY
- ✓ HOA DUE (IF ANY)
- ✓ RECENT BANK STATEMENTS
- ✓ RECENT MORTGAGE STATEMENT
- ✓ SURVEY

# ORDERING SERVICES

01

- Once a borrower completes counseling and submits all required documentation, the FHA case number is pulled..

02

- Brokers or Trust Lending may order the following services:

1. Credit Report
2. Appraisal
3. Title

03

- Appraisal is ordered in accordance with HUD Mortgagee Letter 2009 -28 regarding Appraiser Independence.

04

- Appraisal and title cannot be completed without a 7 -day waiting period after counseling. (For California files)





# Underwriting



GENERAL STATUS

TRACKING SHEET



- ANALYZE CAPACITY AND WILLINGNESS

- EMPHASIS ON APPRAISAL

1. Comparables
2. Supported value
3. Appraiser comments
4. Occupancy

- VERIFY DOCS ARE SIGNED AND DATED CORRECTLY

- ASSETS TO CLOSE (IF NEEDED)

ADEQUATE HOMEOWNERS AND FLOOD INSURANCE

- REPAIRS



## WHERE WE'RE AT

- Often done at the borrower's home.
- HUD 1 is prepared by the lender or closing agent.
- Borrower needs to provide:

1. VOIDED CHECK
2. Positive ID
3. Nearest Living Relative at or prior to Closing

- 3-Day Right of Rescission on all refinances.
- Closing costs are usually financed into the loan and include, but are not limited to: title insurance, FHA mortgage insurance premium, origination fee, recording fees & escrow/settlement fees.



# Closing



GENERAL STATUS

TRACKING SHEET





# AFTER CLOSING

01

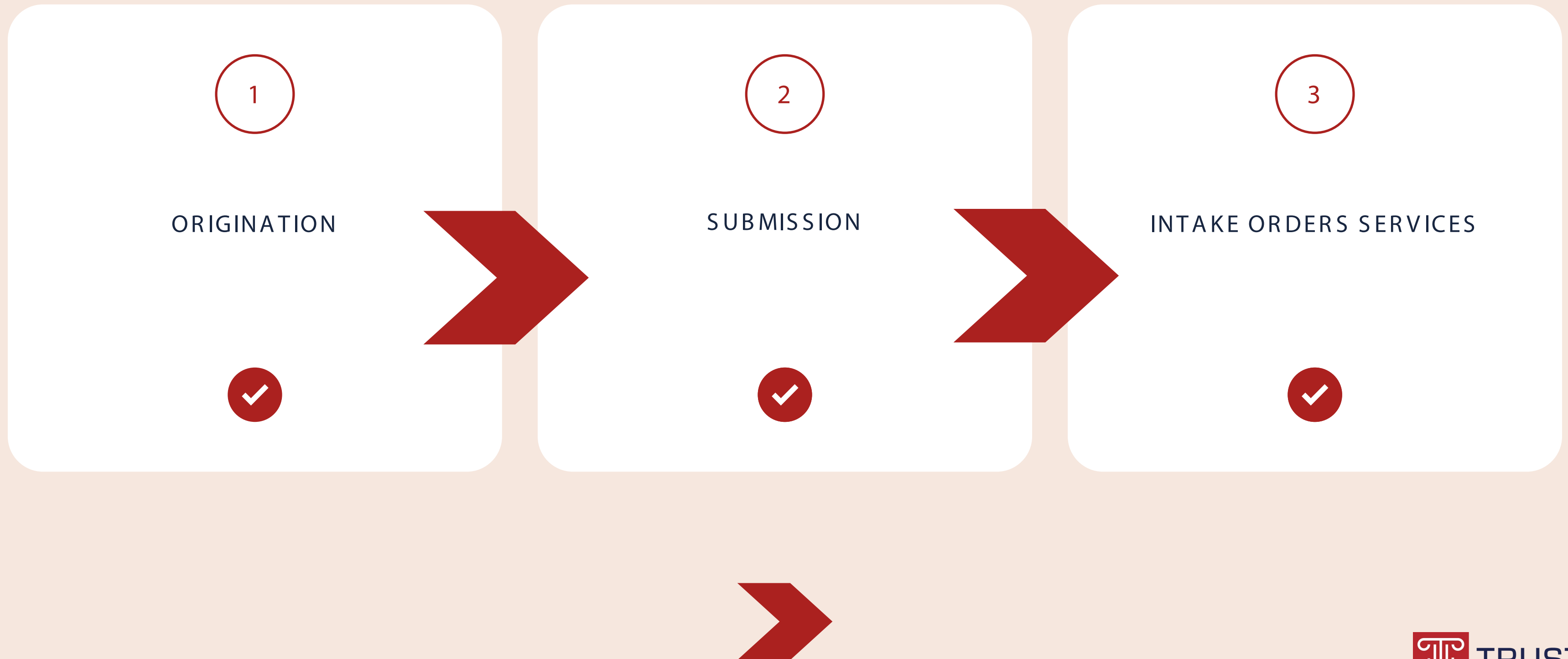
- Within a few weeks of funding, the loan will be transferred to a servicer for management..

02

- The servicer is responsible for:
  1. Issuing monthly statements
  2. Processing draw requests
  3. Handling payment plan changes
  4. Managing occupancy certifications
  5. Disbursing LESA funds (if applicable)
  6. Managing end-of-loan functions

# File Flow Process

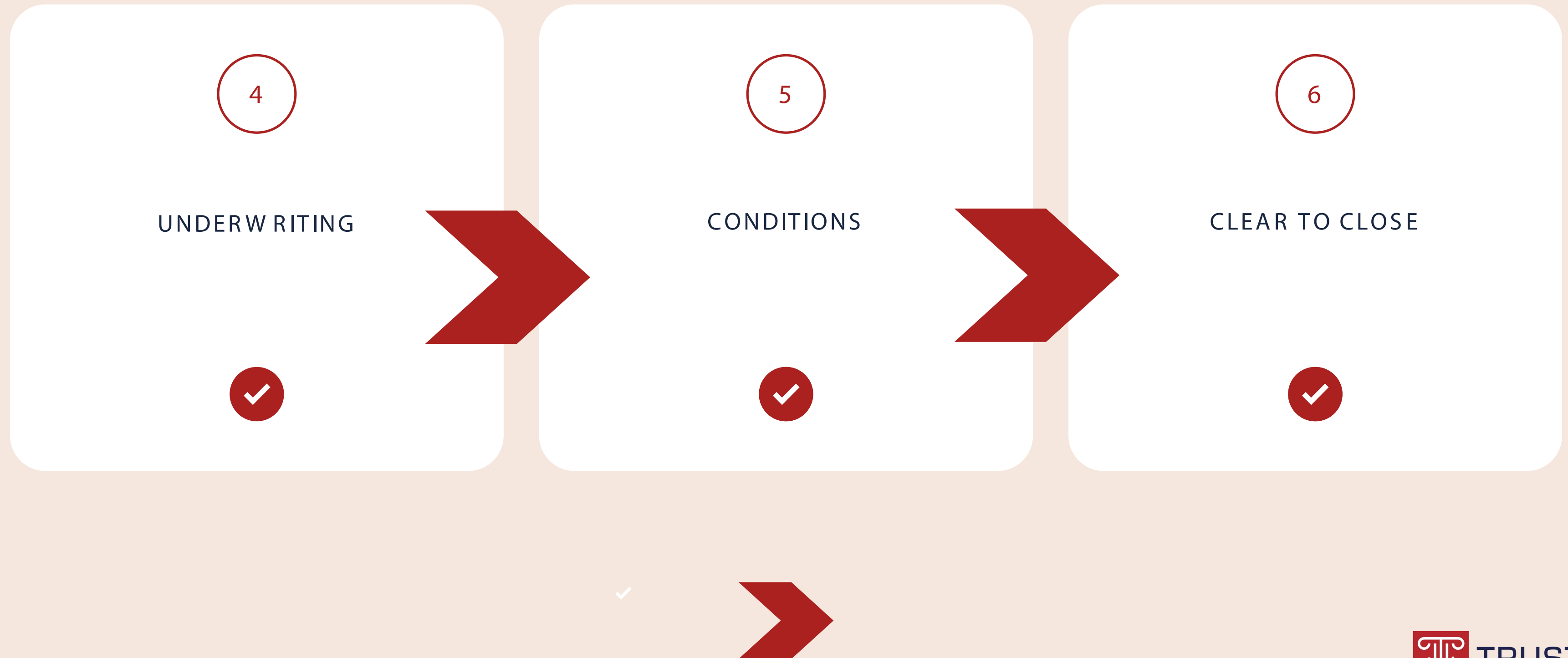
CLOSING PROCESS TAKES AN AVERAGE OF 21 DAYS





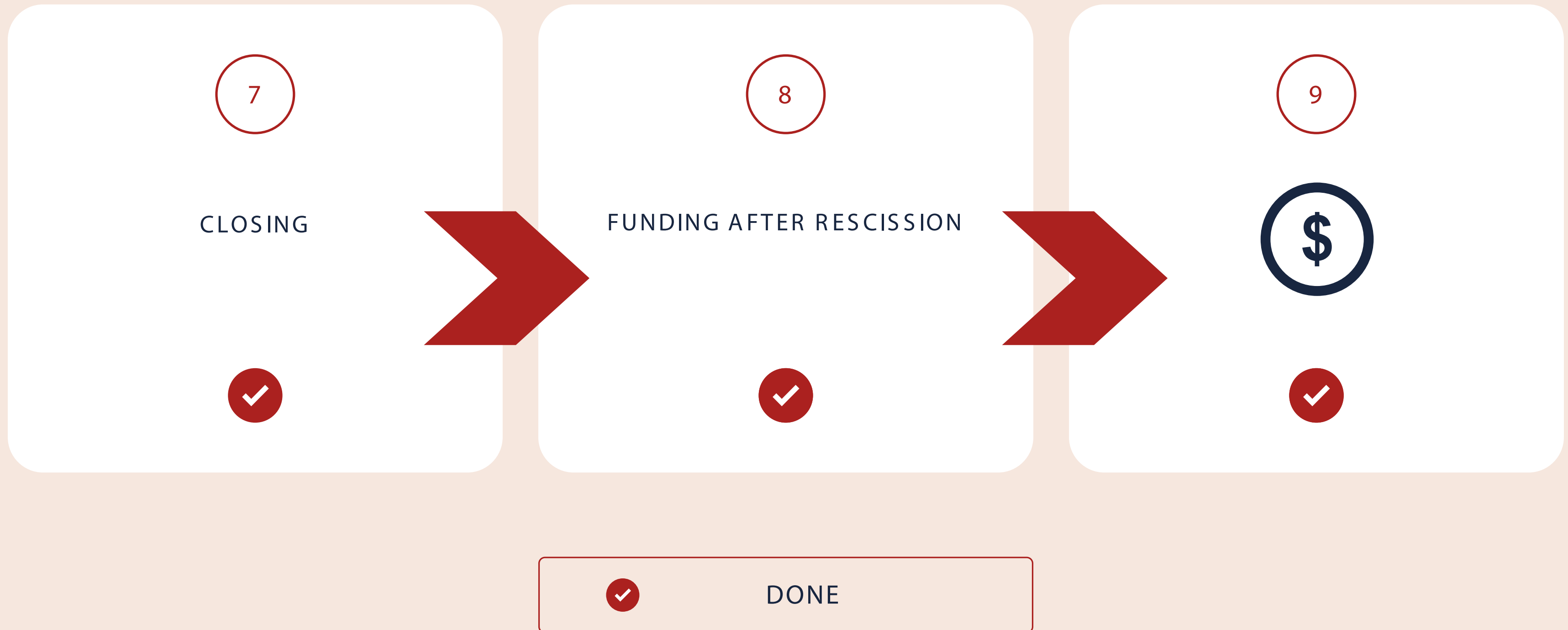
# File Flow Process

CLOSING PROCESS TAKES AN AVERAGE OF 21 DAYS



# File Flow Process

CLOSING PROCESS TAKES AN AVERAGE OF 21 DAYS







# CORE VALUES

## GREAT CUSTOMER SERVICE



# IN-HOUSE UNDERWRITING



# FAST TURN TIMES



At Trust Lending, you're not just a number! We prioritize building relationships and, most importantly, helping you make money!

SCHEDULE YOUR INDIVIDUAL OFFICE TRAINING TODAY

REVERSE MORTGAGES  
IS HERE TO GIVE YOU A  
NEW BEGINNING!

2024



# Thank you!

Do you have any questions ?

Visit [Trustlendingwholesale.com](https://Trustlendingwholesale.com)

Or call us at (305) 597-5148