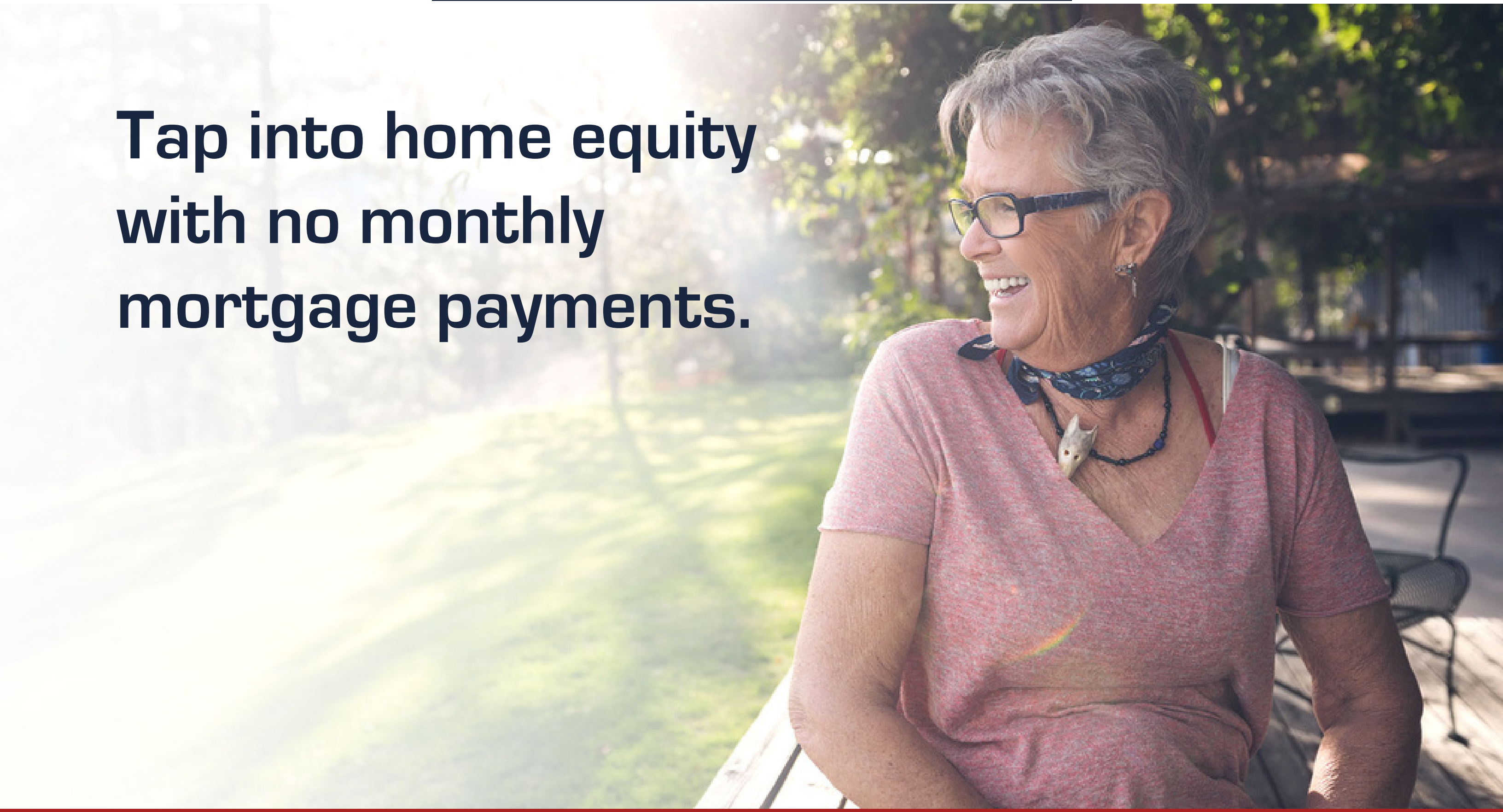
UNDERSTANDING REVERSE MORTGAGE LOANS

Your Guide to a Better Retirement

Tap into home equity with no monthly mortgage payments.



Can you really eliminate monthly mortgage payments? Yes, you can! As long as you continue to pay property taxes, homeowner's insurance, and maintenance costs, you can stay in your home without mortgage payments.

Financial peace of mind starts here. Discover how a reverse mortgage can assist you in achieving greater financial security and a better retirement.

Must be 62 years and older.

EMPOWER YOUR RETIREMENT WITH OUR ASSISTANCE. TOGETHER, WE MAKE A DIFFERENCE

WHAT IS A REVERSE MORTGAGE?

The most common type of reverse mortgage is a loan insured by the Federal Housing Administration (FHA), also called a HECM. This allows you to access your home equity and convert it into cash. Borrowers choose a reverse mortgage because it allows them to remain in their homes, as long as they meet the loan terms, and provides funds that can greatly supplement their retirement income.

Unlike a traditional home equity loan, such as an FHA or refinance loan that you begin to pay back soon after your loan closes, a reverse mortgage does not have to be repaid until this is no longer your primary residence or you pass away. In addition to having no monthly mortgage payments, you will receive tax-free proceeds from your reverse mortgage, and you can designate how you would like to receive them. Reverse mortgages were specifically designed to help those aged 62 and older supplement their retirement.

* You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

Eliminate Monthly Mortgage

Without the burden of a monthly mortgage payment, you can free up cash to cover other important expenses.*

Access Cash

Proceeds are tax-free** and can be used in various ways, like paying health care costs and financing home renovations.

Stay in Your Home

With a reverse mortgage loan, you can afford to stay in the home you love and age in place.*

WHO IS A REVERSE MORTGAGE GOOD FOR?

Reverse mortgage loans have helped more than one million Americans nationwide access their home equity to find greater security in retirement. The loan can be used in several ways, many of which are helping older adults achieve their financial goals and enjoy a much better retirement.

The Pragmatic Planner

Convert your home's equity into monthly payments to supplement income and maintain your standard of living in retirement.

The Homebody

Never want to move? Get rid of your monthly mortgage payment and finance renovations so your home continues to meet your needs.*

The Safety-Net Seeker

Establish a standby reverse mortgage line of credit that will grow over time and help cover you if unforeseen expenses arise.

The Maximizer

Did you purchase your home when prices were low or has your home value grown over the years? Use the monthly or lump sum payments from a reverse mortgage loan or the proceeds from a refinance loan to supplement your social security and other income without tapping into your investment portfolio.

The New Homebuyer

Use a Reverse for Purchase to buy a new house that fulfills all your retirement needs without a monthly mortgage payment.*

The Eager Retiree

Ready to leave behind the daily grind? Eliminate your mortgage payments and access cash so you can afford to enjoy the next phase of life.*

HOW A REVERSE MORTGAGE LOAN WORKS

With a traditional reverse mortgage loan, borrowers can access their home equity without having to pay principal and interest.* It's called a "reverse mortgage" because, unlike a traditional loan where the borrower makes payments to the lender, the lender makes payments to the borrower. The loan is repaid when the last borrower or eligible non-borrowing spouse passes away or leaves the house.

- The borrower remains the owner of the home and retains title.*
- The amount you can borrow depends on your age, property value, and interest rate. The older you are, the more equity you'll have access to.
- The borrower must continue to pay property taxes and homeowner's insurance, and must keep the house in good repair.
- As a non-recourse loan, the borrower will never owe more than the house is worth. If the loan balance exceeds the home's value, the Federal Housing Administration will cover the difference.
- There are different types of reverse mortgages and the funds can be disbursed in a number of ways.

* You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

HOW DO YOU QUALIFY?

TO BE ELIGIBLE FOR A REVERSE MORTGAGE, YOU MUST:

- **Be 62 years or older** (a non-borrowing spouse may be under age 62)
- **Own** and live in your home as your **primary residence.**
- Undergo a **financial assessment** to ensure a reverse mortgage can serve you as a sustainable, long-term retirement solution
- **Receive counseling** by an independent, HUD-approved third-party to confirm you understand your obligations and responsibilities with a reverse mortgage
- **Maintain the property** and continue paying property taxes, homeowners insurance, homeowner association and any other applicable fees

DOES YOUR PROPERTY QUALIFY?

For HECMs

- Single-family homes or 2-4 unit homes (You must occupy one of the units)
- HUD-approved condominiums*
- Manufactured homes that meet FHA requirements

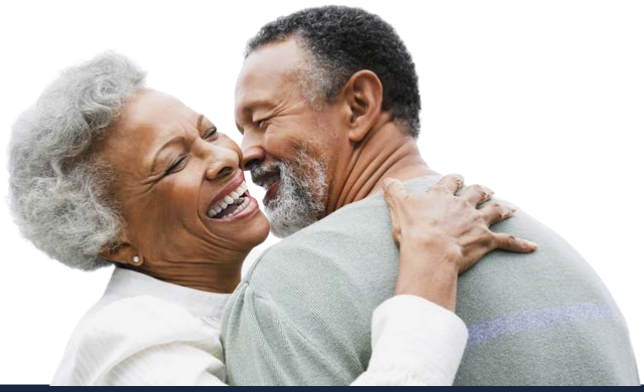
HOW MUCH MONEY COULD YOU QUALIFY FOR?

THE SIZE OF YOUR LOAN AMOUNT IS BASED ON THREE PRIMARY FACTORS.

1. Your Age:
The age of the youngest borrower or eligible non-borrowing spouse—the older you are, the more funds may be available

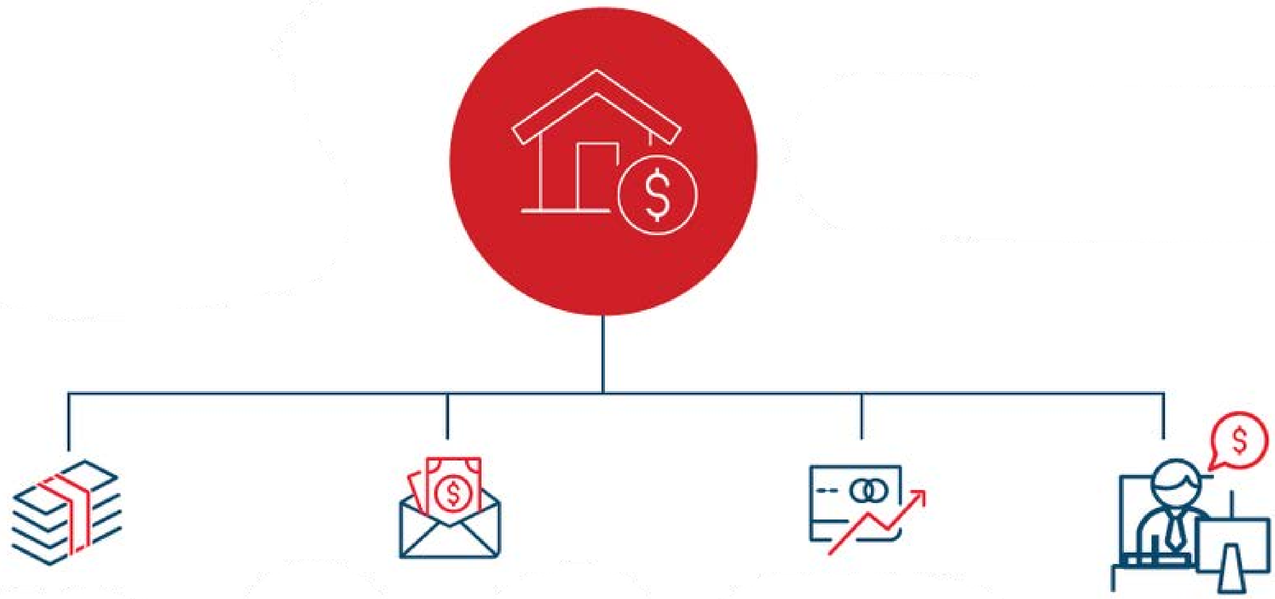
2. Your Home's Value:
The higher your home appraises at, and the more equity you have in your home, may make more funds available

3. Current Interest Rate:
Fixed and adjustable rate options are available—the lower the interest rate, the more funds may be available



HOW CAN YOU ACCESS YOUR FUNDS?

CHOOSE THE PAYOUT PLAN THAT WORKS BEST FOR YOU:



LUMP SUM PAYOUT:
Maximize your cash payout

TERM:
Receive monthly payouts for a fixed term
TENURE:
Receive monthly payouts for life⁎

GROWING LINE OF CREDIT:
Use as needed, interest charged only on the portion you access

MODIFIED PLANS:
Combine options for even greater control;

⁎ Available with Tenure-Based or Modified Tenure plans, so long as Borrower does not default on the loan. Borrower must maintain home as principal residence, pay all taxes, insurance, maintain the home, and comply with all other loan terms. With Modified Tenure plans, lender will set aside a specific amount of money for a line of credit.

REVERSE MORTGAGE ADVANTAGES

With a reverse mortgage, you do not only remain the owner of the home, but you can live in your home for as long as you want, with no monthly mortgage payments*

- The home equity you access is tax free (Consult your tax advisor)
- Use your proceeds almost any way you wish (See Strategies)
- HECMs are federally insured, meaning if your lender defaults, you still receive your payments
- Because reverse mortgages are non-recourse loans, neither you nor your heirs will ever owe more than your home is worth

* In addition to maintaining your property, you must continue to pay property taxes, homeowners insurance, HOA fees, and otherwise comply with all loan terms.

THE TRUTH ABOUT SOME **POPULAR REVERSE** MORTGAGE MYTHS

Although simple in concept—converting a portion of your home equity into cash while you continue to enjoy the comforts of living in your own home* —certain myths and misinformation have sprung up around reverse mortgage loans. Here we address a handful of these common mistruths:

The bank owns my home.
No. When taking out a reverse mortgage loan, you retain title to the property. The lender puts a lien onto the title to ensure repayment of the loan. This is the same for a reverse or a traditional mortgage.

I cannot get a reverse mortgage loan if I have an existing mortgage.
No. You just need sufficient home equity for the loan **to make sense.**

I won't qualify because I don't have enough income.
No. You don't have to earn a certain amount of money. Rather, you need to show you have the financial ability to pay your ongoing property taxes, home insurance and other property-related expenses.

The lender receives whatever money remains after the home is sold to pay off the reverse mortgage.
No. Any leftover funds go to the heirs or the estate.

*You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

THE TRUTH ABOUT SOME

POPULAR REVERSE MORTGAGE MYTHS

I will lose my house if I exhaust my loan funds.
No. You cannot lose your home as long as you continue to comply with your loan terms, such as maintaining your home and paying your property taxes and homeowners insurance.

I will be restricted on how I can use my reverse mortgage proceeds.
No. You can use the proceeds for almost any purpose.

I will be taxed on my loan amount.
No. Because a reverse mortgage is a loan, your proceeds are not taxed. Consult your tax advisor for more information, however, as tax laws can change.

*You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

THE REVERSE MORTGAGE PROCESS

Call
A licensed reverse mortgage professional will help you assess whether a reverse mortgage or another home equity solution can help you achieve a better retirement.

Counseling and Application
A HUD-approved counselor is specially trained and certified to help you understand how a reverse mortgage works and further evaluate whether the loan is a good fit for your situation.

Processing and Approval
 Powerful and proprietary system, will help propel your reverse mortgage loan to the finish line.

Closing
After all underwriting conditions have been met, a closing agent will contact you to sign the final documents and discuss any funding questions you might have.

*You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

YOUR REVERSE MORTGAGE
RESPONSIBILITIES

Although a reverse mortgage can eliminate monthly mortgage payments (principal and interest), you must continue to maintain your property, pay all property taxes, homeowners insurance and comply with your loan terms, as you would with any mortgage. To ensure that you can meet these ongoing financial responsibilities you can establish a set-aside account that can be financed into your reverse mortgage to limit your initial, out-of-pocket expenses.

If you don't comply with your loan terms, however, your home could go into default, which could lead to foreclosure. It's also important to note that while you can sell your home and pay off your loan balance any time without a prepayment penalty, reverse mortgages make more sense financially the longer you plan to stay in your home, as you're spreading your initial loan costs out over a longer period.

Receiving funds from a reverse mortgage will not affect your Social Security or Medicare. A reverse mortgage, however, could impact Medicaid or Supplemental Security Income (SSI), so please speak with your accountant or tax advisor for more information.

*You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.

10 REVERSE MORTGAGE STRATEGIES

The ways people are responsibly using their reverse mortgages for a better retirement are virtually unlimited.

1. **Pay off my existing mortgage to increase cash flow.**
   Paying off your current mortgage is a reverse mortgage requirement. By removing your monthly mortgage payments, your cash flow increases*..

2. **Renovate my home to make it safer and more enjoyable.**
   The right home improvements can also help maintain or even increase the value of your home.

3. **Give my retirement savings accounts more time to grow.**
   By tapping home equity and leaving your investment accounts intact, your assets can continue to grow through the magic of compounding interest.

4. **Delay taking my Social Security for larger payouts later.**
   Social Security benefits increase by a certain percentage each year if you delay your retirement beyond full retirement age. That's an effective savings plan.

5. **Build a stronger safety net.**
   The best defense against unexpected expenses, such as medical emergencies, sudden market downturns and other life events, is to ensure you have financial resources standing by to deal with them.

10 REVERSE MORTGAGE STRATEGIES

The ways people are responsibly using their reverse mortgages for a better retirement are virtually unlimited.

6

Gain greater peace of mind for my long-term healthcare needs.
By creating a reverse mortgage line of credit, which grows over time, you can have money for your care when you need it.

7

Purchase another home that will better fit my needs.
Instead of using all cash, put down only a portion of the purchase price (from your previous home's sale or from other savings and assets) and use a HECM to cover the rest, leaving you with no future monthly mortgage payments*.

8

Protect my portfolio in a down market.
Instead of being forced to sell an investment in a down market, you could wait for the market to rebound by using proceeds provided by a reverse mortgage to make for any shortfall.

9

Create a lifetime income stream for my family and I.
A reverse mortgage gives you multiple payment options, including monthly disbursements for life as long as you live in your home**.

10

Pay off other debt, like high-interest credit cards.
Using a reverse mortgage to pay off credit cards or other high-interest debt may prove a sound financial strategy. What a reverse mortgage shouldn't be used for, is an excuse to overspend or avoid addressing what caused the debt in the first place.

*You must continue to maintain your property, pay property taxes and homeowners insurance, and comply with all loan terms.

**Available with Tenure-Based or Modified Tenure plans, so long as Borrower does not default on the loan. Borrower must maintain home as principal residence, pay all taxes, insurance, maintain the home, and comply with all other loan terms. With Modified Tenure plans, lender will set aside a specific amount of money for a line of credit.

STRONGER SAFEGUARDS
AND PROTECTIONS

Reverse mortgage loans come with many safeguards for your financial protection.

Limited Fees

HECM origination fees are regulated by the U.S. Department of Housing and Urban Development (HUD). HECM loan costs may vary among creditors and loan types.

First-Year Withdrawal Cap

HUD established limits on the amount of money you can access your first year to help you better balance your short- and longer-term financial needs.

Credit Line Growth

The unused portion of your credit line continues to grow—giving you an incentive to responsibly access only the credit you need.

STRONGER SAFEGUARDS AND PROTECTIONS

Financial Assessment

Before you can formally apply for a reverse mortgage, you will undergo a financial assessment to determine whether a reverse mortgage or another financial option can best serve you.

Counseling

You will receive counseling by an independent, HUD-approved third-party to help you explore and address whether a reverse mortgage or another alternative may offer you the best financial solution for your needs and goals.

No Pre-Payment Penalty

You can choose to repay your reverse mortgage anytime without penalty.

Non-Recourse Loan

When repayment is due, neither you nor your heirs will ever owe more than your home is worth.

FHA MORTGAGE INSURANCE:
WHAT YOU NEED TO KNOW

1. Should you opt for a tenure plan, and you exceed your life expectancy, insurance covers the difference so you continue to be paid.

2. Should the lender default, you will continue to be paid, regardless.

3. Should the balance of the loan be larger than the value of the home when payment is due, the insurance fund covers the difference.