

Reverse Mortgage Loans



Reverse Mortgage Defined

A reverse mortgage is a loan against home equity, providing cash advances to a borrower, and requiring no repayment until the home is no longer the principal residence of the borrower.

How is the loan amount calculated?

- ▶ The amount that can be borrowed is based on the HUD formula that factors in the age of the youngest homeowner, the interest rate, and appraised value of the property.

Interest Rates

- ▶ Reverse mortgages may have adjustable interest rates or fixed rates.
- ▶ The interest rate is linked to the one-year LIBOR average.
- ▶ Any adjustment in the rate has no effect on the amount or the number of loan advances the customer can receive, but causes the loan balance to grow at a faster or slower rate.

Who can qualify?

- ▶ You must be least 62 years of age
- ▶ You must own your home
- ▶ Your home must be owner-occupied
- ▶ You must receive counseling from a HUD-approved counseling agency

Benefits of receiving a Reverse Mortgage:

- ▶ Funds can be used for any purpose including: to pay taxes, insurance, supplement your income, and/or make home repairs/improvements.
- ▶ No monthly payments are required.
- ▶ Ability to remain independent in your home.

When does loan repayment commence?

- ▶ When the property is no longer owner-occupied.
- ▶ If borrower(s) reside(s) outside of home for over 6 consecutive months.
- ▶ At the time of borrower(s) passing, at which time, the loan must be paid in full.
- ▶ If the borrower does not pay the property taxes, homeowners insurance or maintain the property.

Contact Information

If you are interested in learning more about a reverse mortgage please contact:

Emmett Gross

Homeownership Preservation Specialist

Reverse Mortgage Counselor

7830 West Burleigh Street
Milwaukee, Wisconsin 53222

Phone: (414) 461-6330

Fax: (414) 461-6320

Emmett_Gross@hri-wi.org

Additional Resources for Seniors:

www.hud.gov

www.aarp.org/revmort/

[www.aurorahealthcare.org
/services/seniorsvcs/
index.asp](http://www.aurorahealthcare.org/services/seniorsvcs/index.asp)

www.county.milwaukee.gov/aging

www.benefitscheckup.org

To find a complete list of HUD
approved HECM lenders go to:

[www.hud.gov/ll/code/
llscrit.cfm](http://www.hud.gov/ll/code/llscrit.cfm)

Housing Resources, Inc.

7830 W. Burleigh Street
Milwaukee, Wisconsin 53222

(414) 461-6330 PH

(414) 461-6320 FX

www.hri-wi.org



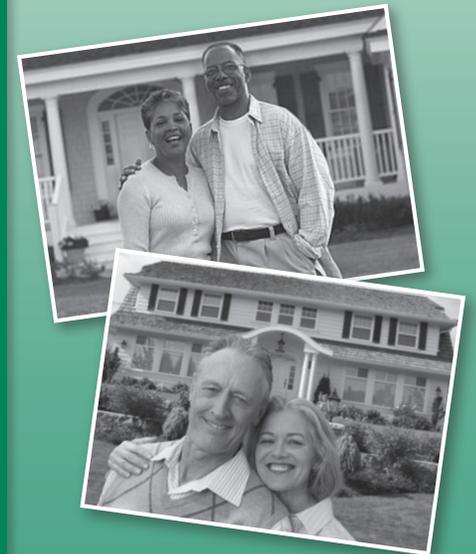
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Reverse Mortgage Loans



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their dream of successful
homeownership through
education, advocacy and
supportive services.

HRI Mission Statement