

The Reverse Advantage

REVERSE MORTGAGE INFO KIT





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A Reverse Mortgage is an innovative financial tool for homeowners ages 62+. Through a Reverse Mortgage, you can take advantage of your home equity by:

- 1. Taking out a lump sum of cash
- 2. Receiving consistent monthly payments
- 3. Opening a line of credit

- 4. Home equity conversion mortgage (HECM) for purchase of a new home
- 5. Or any combo of the above

In addition to receiving money through a Reverse Mortgage, you won't be required to make monthly payments. You will, however, be responsible for continuing payments on your homeowners insurance, maintenance, property taxes & any other fees like HOA dues, etc. The repayment of the loan will be deferred until the homeowner dies, sells, or moves out.

Reverse Mortgage Eligibility

Just like other home loans, Reverse Mortgages require that you and your home meet certain requirements before applying.

▶ REVERSE MORTGAGE REQUIREMENTS:

- >> The Borrower (You)
 - At least 62 years old
 - Live in home
 - Has sufficient equity
 - ▶ Has acceptable credit and income
 - U.S. citizen or permanent resident alien

>> The Home

- Primary residence
- > 2-4 unit single-family property, PUD, townhome, or condo

BENEFITS OF A REVERSE MORTGAGE

There are several advantages of a Reverse Mortgage:

- ► Increases monthly income
- ► Allows you to open a line of credit for future expenses
- ► Provides more cash in case of unexpected expenses or medical bills

Other ways to use a Reverse Mortgage:

- ► Pay off high-interest debt or credit cards
- ► Help family with expenses
- ► Checking items off your bucket list

- ► Eliminates monthly mortgage payments (Borrower still responsible for homeowners insurance & property taxes)
- ► Retain complete ownership of your home, and the ability to pass it on to your heir
- ▶ Purchase a new retirement home
- ▶ Traveling

Frequently Asked Questions IS MY HOME ELIGIBLE FOR A REVERSE MORTGAGE? Here are a few questions to ask yourself about your home to determine its eligibility. ▶ Is the home your primary residence?

▶ Is the home a 2-4 unit single-family property, FHA approved condo, or manufactured home that meets FHA requirements?

If you ever have a question about your home's eligibility, ask us!

HOW DO I KNOW IF I QUALIFY?

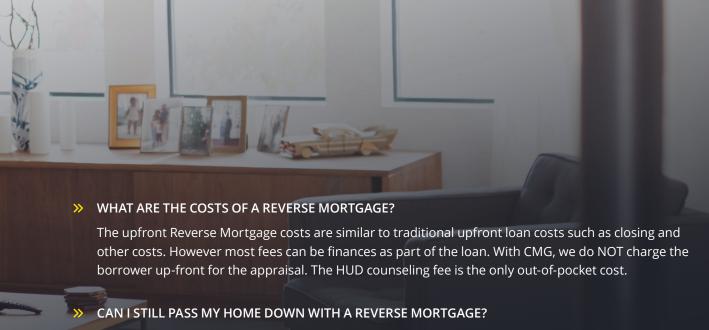
Here are a few questions to ask yourself. If you answer "yes" to all of them, you could qualify!

- ► Are you 62 or older?
- ► Are you the titleholder to your home?
- ▶ Do you have sufficient equity in your home?
- ▶ Do you meet financial eligibility criteria as established by HUD?

If you ever have a question about your qualification ability, ask us!

WILL I CONTINUE TO OWN MY HOME WITH A REVERSE MORTGAGE?

Yes. You will still own your home as long as it is your primary residence. You must also continue to pay the following: homeowners insurance, property taxes, maintenance costs & any other fees like HOA dues, etc.



Yes! Once the homeowner passes away, the home can be passed down to their heirs. When the loan becomes due, you or your heirs have the option of paying off the full balance of the loan and keeping the home.

WHAT ARE THE PROPERTY AND INSURANCE REQUIREMENTS?

You will still be responsible for the general maintenance and upkeep, and payment of property taxes and insurance. Often, you can pay for these expenses with the funds from your reverse mortgage loan.

>> WHAT IF I HAVE AN EXISTING MORTGAGE?

If you currently have a mortgage, a portion of the funds you receive from your reverse mortgage must be used to pay off any existing mortgagee.

>> HOW CAN I USE THE MONEY FROM A REVERSE MORTGAGE?

After paying off any existing mortgage, the money you receive from the Reverse Mortgage loan can be used any way you choose. Some examples include medical experience (including in-home care, home improvements, and living expenses). There are no limitations or restrictions, once you receive the net proceeds.

HOW DO I RECEIVE THE AVAILABLE FUNDS?

The most common way is to draw from a line of credit to use at your discretion. However you may also choose to receive a single lump sum, regular monthly installations, or any combination of these options.

WILL MY FAMILY OR ESTATE EVER OWE MORE THAN THE VALUE OF MY HOME?

No. With the reverse mortgage, you or your heirs can never owe more than the home worth.

>> WILL I INCUR ANY PENALTIES IF I DECIDE TO PAY BACK THE LOAN EARLY?

No you can pay back the loan at any time without the worry of being penalized.

Getting Started

1. MEET WITH A LOAN OFFICER

At CMG Home Loans, we pride ourselves on the personal touch of local service. If you haven't connected with one of our amazing loan officers yet, head to *cmghomeloans.com/find-loan-officer* to find your perfect match! They will be able to give you a more in-depth explanation about how a Reverse Mortgage works, how much you can qualify for, and other loan options that are available to you.

2. TALK THROUGH PERSONALIZED LOAN PROPOSAL

Once you meet with your loan officer and discuss the ins and outs of a Reverse Mortgage, they will create a personalized loan proposal with multiple options from which you can choose.

3. COMPLETE HUD-APPROVED COUNSELING

After going through your loan proposal, you will decide if you wish to continue moving forward. If you do decide to continue, we will then provide you with a list of independent, third-party, FHA-approved counselors. Once you choose your counselor, you will attend a Reverse Mortgage consultation with them. This can be done over the phone or in person.

4. COMPLETE YOUR APPLICATION

Once counseling is complete, your loan officer will help you complete your application. Once your application is done, we will submit it and order the appraisal (which requires no out-of-pocket cost from you. The application will then go to the processing stage and the FHA appraisal stage. Once your application is complete, we will submit it and order an appraisal (which requires no out-of-pocket cost from you).

5. SUBMIT ALL NECESSARY DOCUMENTS AND AWAIT APPROVAL

You will likely be asked to submit various documents throughout the loan process. After we receive your appraisal and complete loan processing, we will submit your loan to underwriting where the documents are reviewed, finalized, and prepped for closing.

6. PROVIDE YOUR PROCESSOR ANY ADDITIONAL INFORMATION REQUIRED

After your loan is approved, your underwriter may request some additional documentation, which your processor will collect from you.

7. CLOSE YOUR LOAN AND RECEIVE FUNDS!

When your loan is ready to close, we will arrange for a Signing Agent to meet with you and finalize the loan documents. At closing, you will sign the necessary papers and receive the funds from your Reverse Mortgage!



CMG Home Loans is a nationwide, award-winning mortgage lender with over 30 years of extraordinary experience creating affordable home financing opportunities. Since 1993, we've been recognized as a Top Overall Lender by U.S. News and World, a Top-Rated Lender by Business Insider, and more.

We pride ourselves on delivering the personal service of a local lender while leveraging the resources and support of a national brand. Our slogan, "Home Loans, Simplified. Trusted. Committed," emphasizes our focus on delivering a simplified home loan experience, creating lifetime value for our existing clients, and empowering home buyers with a better understanding of mortgages and homeownership.

Currently operating in all 50 states and the District of Columbia, our branches have earned over 1,200 Zillow reviews praising reliable preapprovals, ease of transaction, on-time closings, and transparency and communication throughout the mortgage process. From preapproval to closing table and beyond, we strive to be by your side for all your home financing needs. Find out what "Every Customer, Every Time. No Exceptions, No Excuses." means to us!



BUSINESS INSIDER



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