

Reverse to the Future ~ Article by Paul Carroll, President, Carrollton Mortgage Co.

Protect Your Identity and Your Finances

Your home can be

- An important source of income if you are house rich but cash poor!

What you get from a Reverse Loan

- You get income in exchange for your home's equity, as you need it.
- You get money paid to you in a lump sum, or in regular monthly payments, or in a line of credit, or as a combination of the programs.
- You get proceeds that can be used for almost anything, including regular living expenses, home repairs or even travel.
- You get income that is tax-free. Social Security and Medicare are not affected.
- You get more money the older you are.

Reverse Mortgages

- Pay off your existing loan, so you will not have any more house payments.
- Allow you to still own your home and receive all the appreciation as part of your equity. Your equity may be preserved due to the home appreciating faster than the interest on the loan.

Qualification for a Reverse Loan

- You and your spouse must be at least 62 years old.
- You must own your home, but you can have existing liens on it.
- The property must be your primary residence.
- Most single-family homes are eligible, and some town homes and two-to-four-unit properties might also qualify.
- There are no minimum or maximum home values.

- FHA requires you to receive financial counseling before obtaining a Reverse Loan. The counseling is free. AARP can discuss Reverse Loans right over the phone.

How it works

- You begin with equity in your home.
- As your debt grows larger, your equity grows smaller.
- You retain ownership of the home during this time and are responsible for taxes, insurance and repairs.
- When the last surviving borrower dies, sells the home or permanently moves away, the Reverse Mortgage Loan must be paid back plus interest. Upon the borrower's death, the borrower's heirs can either repay the loan and keep the home, or sell the home to repay the loan.
- You can never owe more than your home's value at the time the loan is repaid. Reverse Mortgages are non-recourse loans, which means the lender can only derive repayment from proceeds of the property's sale.

Why Carrollton Mortgage Co.?

- We guarantee the lowest FHA Reverse Mortgage closing costs in the industry.
- We make house calls.
- We are a family owned and operated business.
- We are celebrating 19 years of excellent service.
- We are committed to serving our customers with quality, prompt service.

Fees include:

- Origination fee
- Appraisal fee
- Pest inspection
- Title fee

- Escrow fee
- Recording fee

For more information, visit these independent web sites:

The American Association of Retired Persons:

www.aarp.org/revmort

National Reverse Mortgage Lenders Association:

www.nrmla.org

The National Center for Home Equity Conversion:

www.reverse.org

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