

**TOM SELLECK**

ACTOR AND AAG  
PAID SPOKESPERSON



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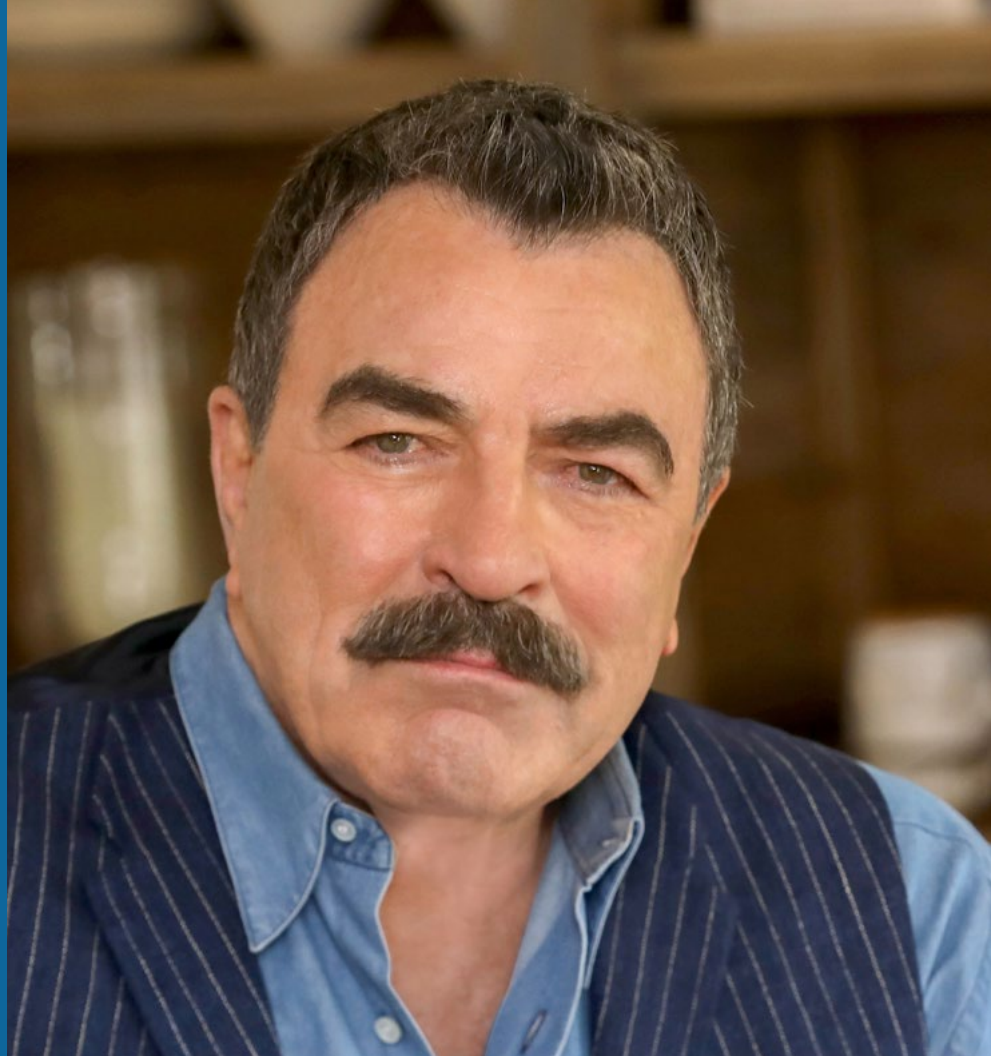
# Your Guide to a Better Retirement

## Understanding Reverse Mortgage Loans

[aag.com](https://aag.com) | (800) 608-6004



“AAG is solely dedicated to helping older homeowners use their home equity for a better retirement. I know they care and want to help. I trust them and I think you can, too.”



Dear homeowner,

For all that a home gives us—things like safety, stability, security and a place to create and store our memories—one gift we tend to overlook is the future it can also give us.

You can begin to unlock that future by using some of your home's equity, which has likely increased over time, becoming your most valuable asset.

There are, of course, different ways to access your home equity, but if you're 62 or older, you may want to consider a reverse mortgage.

This way, you'll have the financial freedom and flexibility to design the retirement you want, whether that's paying off bills, fixing up the house, traveling or investing more, or helping out your children.

Use this helpful guide to bring greater clarity and certainty to your future, with the open invitation to call American Advisors Group anytime about whether a reverse mortgage can help you achieve a better retirement.

Regards,

**TOM SELLECK**

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## What Is a Reverse Mortgage Loan?

Unlike a traditional home equity loan, such as an FHA or refinance loan that you begin paying back soon after your loan closes, a reverse mortgage doesn't have to be repaid until you leave your home or do not comply with all loan terms. You must continue to maintain your property, pay property taxes, and homeowners insurance. In addition to having no monthly mortgage payments, you will receive tax-free\* proceeds from your reverse mortgage loan, and you can designate how you want to receive them. Reverse mortgages were specifically designed to help those 62 and older supplement their retirement.

The most widely available reverse mortgage loan is a Home Equity Conversion Mortgage (HECM). For higher-value homes that exceed the limit set by the FHA, borrowers may be better suited with a non-HECM loan, also known as a jumbo or proprietary reverse mortgage.

*\*Not tax advice. Consult a tax professional.*

## Quick Facts

Since 1988, the FHA has insured more than 1 million reverse mortgages for senior borrowers.

*(<https://www.hud.gov/sites/documents/HECMREFORMFACTSHEET.PDF>) US Dept of Housing and Urban Development HECM Fact Sheet)*

Home equity levels for homeowners aged 62 and older grew to \$12.7 trillion in the second quarter of 2023.

*(NRMLA/RiskSpan Reverse Mortgage Market Index (RMMI) Q1 2000 – Q2 2023)*

# 9/10

**More than 9/10 clients are satisfied with our service.\***

*\*Based on client satisfaction surveys since April 1, 2023.*



## To Be Eligible For a Reverse Mortgage,

you must at a minimum:

- ✓ **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

## Is Your Property Eligible?

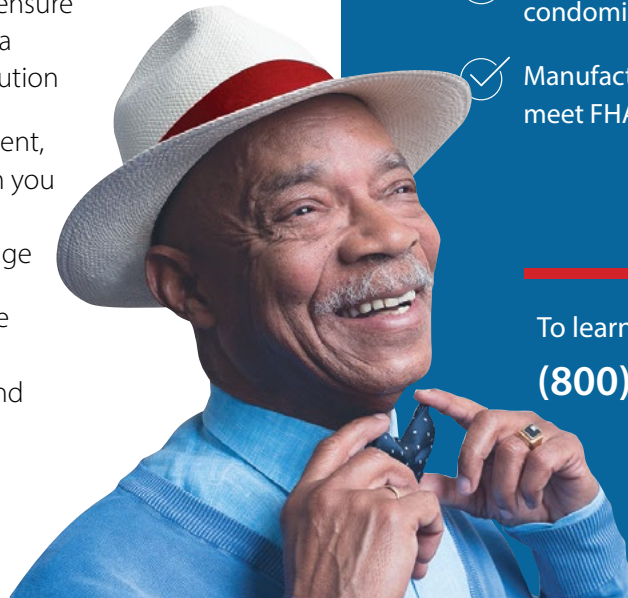
For HECMs, eligible property types include:

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

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To learn more, call:

**(800) 608-6004**



# How Much Money Could You Be Eligible 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:

Subject to an appraisal, a rise in your home's value could increase your amount of home equity and 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; an AAG reverse mortgage professional can show you how

\*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.



“Getting a reverse mortgage completely changed my life and allowed me to live the retirement that I always wanted. The loan officer at AAG held my hand through the whole journey and provided so much insight and expertise. I now have more financial freedom.”

**FRIEDA B.**

\*AAG customers were compensated for their time. Their statements are their own.



## 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 at 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 benefit and tax advisors for more information.



To learn more,  
speak with one of  
our reverse mortgage  
professionals today.

**(800) 608-6004**

We are:



CARING



DRIVEN



ETHICAL



# Advantages & Strategies

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Homeowners are using the advantages of a reverse mortgage in multiple ways to achieve a better retirement.



## Reverse Mortgage Advantages

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

- ✓ Your home equity loan is tax-free\*
- ✓ Use your loan proceeds almost any way you wish (See Strategies)
- ✓ Because reverse mortgages are non-recourse loans, neither you nor your heirs will ever owe more than your home is worth

*\*(Not tax advice. Consult a tax professional.)*



# 9 Reverse Mortgage Strategies



We're here to help. Call us today:

**(800) 608-6004**

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

2

## **Renovate my home to make it safer and more enjoyable.**

The right home improvements could also help maintain or even potentially 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. (Consult with your financial advisor.)

4

**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.

5

**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.

6

**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 reverse mortgage to cover the rest, leaving you with no future monthly mortgage payments. (You must continue to maintain your property, pay property taxes and homeowners insurance, and otherwise comply with all loan terms.)

7

**Preserve 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 up any shortfall. Please consult with your financial advisor.

8

**Create a lifetime revenue stream for my family and me.**

A reverse mortgage gives you multiple payment options, including monthly disbursements for life as long as you live in your home\*\*.

9

**Pay off other debt, like higher-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.

*\*\*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.*

# Financial Flexibility

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A reverse mortgage can unlock exciting new possibilities in retirement. This powerful tool offers financial flexibility in getting you cash to create the future that's best for you.





## Take Charge of Your Future

A reverse mortgage can help you accomplish your goals on your terms, with unique loan eligibility requirements that empower retirees.

- ✔ You can use the cash virtually any way you wish, including to buy a new home\*
- ✔ You don't need a certain credit score to be eligible
- ✔ You don't need to have a job to be eligible

\*Borrowers must adhere to all the loan terms, which include maintaining your property and paying your property taxes and homeowners insurance.





## 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.

## Financial Assessment

Before you can 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 when it is sold to repay the loan.



## FHA Mortgage Insurance: What You Need to Know

1. Should you select a tenure payout plan, you are guaranteed monthly payments for as long as you live in your home and continue to maintain and pay taxes and homeowners insurance on the property and comply with all loan terms.\*
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.

\*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.

## 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:



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

### **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.** After the loan balance is paid off and upon their request, any leftover funds from the sale will go to the heirs or the estate.

### **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.\*

\*Not tax advice. Consult a tax professional.

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Pick up the phone and call AAG today.

**(800) 608-6004**

## **The Reverse Mortgage Process**



### **Call AAG**

An AAG licensed reverse mortgage professional will help you assess whether a reverse mortgage can help you achieve a better retirement.



### **Counseling and Application**

A HUD-certified-and-approved counselor will help you understand how a reverse mortgage works.



### **Processing and Approval**

After your home appraisal has been completed, it will be attached as part of your loan application and submitted for underwriting review.



### **Closing**

If 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.

# Why AAG

When we started AAG, we saw home equity as the missing financial piece for the millions of older homeowners who wanted to retire better.

From that early inspiration, AAG has become One of the Largest Reverse Mortgage Lenders in the nation.

Over that time, we have helped thousands of people gain the financial freedom to live retirement on their terms. For some, that has meant achieving the peace of mind that comes

with paying off a large bill, making a long-overdue home repair or building a bigger rainy-day fund, and for others, that has simply

meant getting out more, visiting friends and family, traveling, dining, taking longer, unhurried walks and pursuing the many joys that a good retirement can afford.

Whichever path you expect to follow for your better retirement, we look forward to helping you every step of the way.



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Accredited by the Better  
Business Bureau



A proud and active member of  
the National Reverse Mortgage  
Lenders Association

A U.S. Department of Housing  
and Urban Development  
approved lender

## The Promise

At AAG, we believe education is empowering and your best course for determining whether a reverse mortgage loan can help you achieve the retirement you've envisioned. In particular, we've addressed how reverse mortgages work and how they have been strengthened with additional borrower protections. While reverse mortgage loans offer many advantages, they also come with important borrower obligations and responsibilities. We've worked hard to highlight them all so you can make the most informed financial decision for you and your family.

Although we have seen reverse mortgages improve retirements for thousands of older adults, we realize they are not for everyone. They work best when they are used strategically and responsibly as part of a retirement strategy.

**Working together, we believe we can help find the right solution for your retirement!**

For more information  
and videos, visit us at  
[aag.com/kit](https://aag.com/kit)

Or call us direct  
and see how you  
can retire better.

**(800) 608-6004**



To learn more, please visit the CFPB's Reverse Mortgage: A Discussion Guide  
[https://files.consumerfinance.gov/f/documents/cfpb\\_reverse-mortgage-discussion-guide.pdf](https://files.consumerfinance.gov/f/documents/cfpb_reverse-mortgage-discussion-guide.pdf)

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**Finance of America Reverse LLC does not do business as American Advisors Group/AAG in Nevada and New York.**

For Reverse Loans. When the loan is due and payable, some or all of the equity in the property that is the subject of the reverse mortgage no longer belongs to borrowers, who may need to sell the home or otherwise repay the loan with interest from other proceeds. The lender may charge an origination fee, mortgage insurance premium, closing costs and servicing fees (added to the balance of the loan). The balance of the loan grows over time and the lender charges interest on the balance. Borrowers are responsible for paying property taxes, homeowner's insurance, maintenance, and related taxes (which may be substantial). We do not establish an escrow account for disbursements of these payments. A set-aside account can be set up to pay taxes and insurance and may be required in some cases. Borrowers must occupy home as their primary residence and pay for ongoing maintenance; otherwise the loan becomes due and payable. The loan also becomes due and payable (and the property may be subject to a tax lien, other encumbrance, or foreclosure) when the last borrower, or eligible non-borrowing surviving spouse, dies, sells the home, permanently moves out, defaults on taxes, insurance payments, or maintenance, or does not otherwise comply with the loan terms. Interest is not tax-deductible until the loan is partially or fully repaid.

#### STATE OF ILLINOIS COMMUNITY REINVESTMENT NOTICE

The Department of Financial and Professional Regulation (Department) evaluates our performance in meeting the financial services needs of this community, including the needs of low-income to moderate-income households. The Department takes this evaluation into account when deciding on certain applications submitted by us for approval by the Department. Your involvement is encouraged. You may obtain a copy of our evaluation. You may also submit signed, written comments about our performance in meeting community financial services needs to the Department.

**These materials are not from HUD or FHA and were not approved by HUD or a government agency.**

# Call AAG today!

**(800) 608-6004**  
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