



Stay In-Home, Inc.

Specializing in Reverse Mortgages

"Your Senior Home Advisor"

January / February 2009

Reverse Mortgage Review

A Bi-Monthly Newsletter Brought to You by Stay In-Home Mortgage, Inc.

President's Corner:

As the owner of Stay In-Home Mortgage, Inc., it has been very gratifying for me to have the opportunity to work with our senior community. Our goal, since the first day we started, has been to help seniors to improve their quality of life whether that is by increasing their monthly income, paying off their debt, or helping them to fulfill their lifelong dreams.

The purpose of this ongoing, bi-monthly newsletter is to keep our clients abreast of this ever changing reverse mortgage market. If you have received this newsletter, then you are one of the approximately 1,500 seniors that Stay In-Home Mortgage has helped to achieve their financial goals by utilizing a reverse mortgage. We want to thank you for helping us to become the number one independent reverse mortgage company in the Northwest and the 15th largest in the United States.

We are confident that you will find this information factual, hard-hitting and informative, and we are hopeful that you will be compelled to spread the good news about reverse mortgages. We encourage you to share this newsletter with your family and friends. They too may want to use this financial resource to better their lives just as you, and thousands of other seniors like you, have done.

Warm regards,

Marty Taylor

PS: Please let us know how we might further enhance this communication and/or other subjects that you would like us to cover. Simply drop us a line at dgreen@stayinhome.com or call Diane Green at 1-800-963-8011. *When you call, please mention Promo Code # NL001.*

New Legislation Has Positive Impact on Reverse Mortgages

On July 30, 2008, the President and Congress signed into law the Housing and Economic Recovery Act of 2008. This law made a number of changes to the housing and mortgage industries. One item that was rarely discussed is the impact that H.R. 3221 has on reverse mortgages. This very important legislation has been in the works for almost two years now. This is positive for the industry and most importantly to homeowners considering a reverse mortgage.

Reverse mortgages have come a long way since 1961 when Nelson Haynes of Deering Savings & Loan extended the first reverse mortgage to Nellie Young, the widow of his high school football coach. It was an act of kindness that today continues to offer a helping hand to seniors in need.

Over the years, reverse mortgages continue to improve with stricter regulations, oversight by the Department of Housing and Urban Development and the mandatory third party counseling to ensure that all borrowers understand the product before the loan process starts. These and other improvements are helping families to recognize that a reverse mortgage is a legitimate retirement tool. The reality is that our home represents the largest asset for most people. Even as real estate values decline from inflated highs, the median home value in King County remains over \$400,000. Given the tremendous wealth tied up in real estate and the continual rise in cost of living, a home must be considered as a tool to supplement retirement income.

Rule changes were effective January 1, 2009.

- 1) Reduction in loan costs** — Loan origination fees will be capped at \$6,000, compared to the previous \$7,255 or higher. Fees will be calculated at 2% of the first \$200,000 of home value and then 1% of the value over \$200,000. It is recognized that loan fees have been a deterrent for reverse mortgages; however these changes will help to alleviate this obstacle. Selling your home and downsizing may be another good option, but consider that real estate fees, closing costs, and moving expenses can add up to a large amount of money. If you choose to sell your \$400,000 house, you could end up paying \$24,000 in commissions to the agents and an additional \$8,000 to \$15,000 in closing costs for your new home. It definitely pays to stay in your home.
- 2) Increase in cash available** — The amount of money you receive is mostly based on age, interest rates, and home value. The new law increased the lending limit to \$417,000 nationwide. The estimated impact will increase the dollars available to reverse mortgage borrowers by over 15% depending on your home value.

If you are interested in refinancing your Reverse Mortgage, this could be an ideal time to make an inquiry. If so, please contact your Loan Officer, or call us at 1-800-963-8011.

3) Purchase a home with Reverse Mortgage — For seniors looking to relocate or downsize, this feature will allow you to purchase a house without taking on a mortgage payment and without having to sink all of your cash into the house. The idea of spending the rest of your retirement years making mortgage payments can be quite daunting. Many times that cash can be used to help better afford cost of living increases, maintaining the house, and enjoying retirement in a way you had envisioned.

These changes represent the continuing road to making reverse mortgages as mainstream as your 401k. As with any program, this does not work for everyone, but most people should at least understand the facts on how this program works. Our lives can change quickly, and being prepared is the key.

Compliance Update

by Sheri Smith, Compliance Officer

As a testament to the ethical and moral compass that Marty Taylor has always followed in all facets of his business, the first employee that he hired when he opened Stay In-Home Mortgage was a Compliance Officer. The high principles that he follows are also evident in our Company's Mission Statement (shown below). You can rest assured that you, and any friends or family that you refer to us, will be treated with the utmost sincerity and integrity.

Stay In-Home Mortgage Mission Statement:

We are advisors who serve the unique and far-reaching needs of the senior community. We evaluate each homeowner's situation with honesty and integrity, and we recommend options that best meet their needs and objectives. Our job is to educate seniors to ensure that they make informed decisions. We demonstrate how they can access their equity, to help them achieve their goals and dreams, while staying in their homes.

We achieve our mission through the integration of our core values:

Integrity: We act with honesty and integrity.

Quality: We demand excellence in everything we do and hold ourselves to the highest standards.

Accountability: We assume responsibility for the quality of our relationship with our clients, our colleagues and our profession.

Communication: Our staff is always available to respond to our clients' needs. We maintain regular contact. We listen and communicate in plain, easy to understand terms.

Collaboration: We assume mutual trust and respect. We work closely with our clients and their family to identify opportunities and solve problems.

Individual Growth: Our people are our greatest asset. We provide a supportive culture to encourage professional growth. We treat them with respect while providing an environment that supports and encourages professionalism and technical growth.



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